State legislatures can take other steps to reassert their control over public workforce costs: limit the points of negotiation in collective bargaining, remove health care benefits from collective bargaining, index the upper limits of union compensation demands to inflation, eliminate public-sector agency shops, bar use of check-off dues for politics, amend arbitration rules, give cities greater scope of action in dealing with their unionized workforces, end "the accounting tricks and gimmicks they have used to calculate their pension and health liabilities," and move away from defined-benefit pensions toward defined-contribution plans.

Proofreading and fact checking could have been better in parts. For example, the *Sarasota Herald-Tribune* is misidentified as the *Miami Herald-Tribune*. DiSalvo also says that Boeing had "threatened" to move construction of its planes to South Carolina if the Machinists union at its Puget Sound facility did not agree to a contract. In fact, Boeing opened the South Carolina plant in 2011, *in addition* to existing plants, to avoid disruptions because of strikes.

Those minor points aside, *Government against Itself* provides a solid overview of the role of public-sector unions in U.S. politics today.

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Competition, Coordination and Diversity: From the Firm to Economic Integration
Pascal Salin
Cheltenham: Edward Elgar, 2015, 305 pp.

The ambition of this volume is to "evaluate how coherent social systems can exist in spite of the extreme diversity of [their] components." It can be characterized as a consistent application of Austrian (or perhaps more narrowly Hayekian) thinking to a range of questions in economics and policy analysis—with a particular focus on the roles of dispersed knowledge, competition, and discovery; prices and economic coordination; and the effects of uncertainty, entrepreneurship and contracts. The book, based on a number of previously published and unpublished papers and essays, weaves together explorations in fields ranging from the theory of the firm, through international political economy and monetary economics, to the theory of consumer choice.

Pascal Salin, an honorary professor at Université Paris-IX-Dauphine, counts among the leading classical liberal thinkers in France. In the 1960s and 1970s, he was instrumental in introducing the ideas of the Chicago School—and later of the Austrian School—into French academia and in nurturing an entire generation of pro-market intellectuals in the country. While he has received international recognition—he served as the president of the Mont Pèlerin Society between 1994 and 1996, for example—the bulk of his work was targeted at a French audience, with substantial contributions focused on Austrian monetary theory, the political philosophy of classical liberalism, fiscal affairs, and other subjects. This book provides the best overview of his work currently available in English.

The book starts with three essays on the theory of the firm and of the market process. The first one may well be the most original in the entire collection, expanding on Frédéric Bastiat's theory of the firm. In his writings on wage formation, Bastiat, whose contributions as an early economic theorist are oftentimes downplayed because of his polemical and journalistic tone, discusses the reasons for the formation of companies. According to him, workers are averse to uncertainty and prefer a steady stream of payments to being obliged to cope with the constantly changing marketplace. It thus makes sense for them to enter into contractual arrangements with entrepreneurs who then become the residual claimant of the company. Besides providing a form of insurance against fluctuations in market conditions, the entrepreneur also provides management and coordination services—much in the same sense as in the traditional Coasian theory of the firm.

Salin integrates the latter into an Austrian theory of the market process, stressing that the firm and the market are not antithetical but just different manifestations of a system "of legitimate rights and free contracts." The book offers other insights in the area of industrial organization, such as the idea that cooperation between firms and apparent price fixing might fulfill socially beneficial roles. With free entry to industry, the common fears of customer exploitation by cartels are unjustified. If anything, heavy-handed antitrust policies applied to such situations can destroy market structures that are beneficial to consumers.

The second part of the book addresses problems of international political economy. In broader terms, it questions the need for the harmonization of rules as a precondition for economic integration.

More specifically, two chapters in this section argue against the harmonization of tax rules and tax regimes. "Optimal" rules—and "optimal" tax systems—are essentially unknowable in advance. By adopting a common legal and fiscal regime, countries are destroying the process of the gradual discovery of rules that works best.

The same argument is applied to monetary integration (Part III of the book). A common fiat currency has the benefit of reducing transaction costs but also the downside of reducing the possibility of "exit." It is preferable, Salin argues, to facilitate currency competition and allow individuals to spontaneously discover "optimum currency" areas, depending on the quality of the currencies offered and on the specific trading needs.

The euro, in contrast, was a constructivist project that imposed a common currency on eurozone members without allowing for an evolutionary process of selection for a "good" currency. That said, as Salin argues in an appendix, the debt crisis unfolding on the eurozone's periphery "is not a European monetary problem," as some free-market critics of European integration like to argue. Instead, it is just "a debt problem in some countries—Greece, Spain and some others—that happen to be members of the eurozone." The solution to the crisis lies exclusively in domestic economic reforms, not exiting the eurozone nor in pursuing a program of economic and institutional "harmonization."

Two essays in the collection discuss the economics of technological change. One chapter is dedicated to the relationship of monetary economics and technological change—namely, to the conditions under which new currencies arise in the online world.

Another is a critique of the idea of a digital divide—the once-popular hypothesis that the development of new information and communication technologies (ICT) is going to disproportionately benefit the wealthy and trap poor countries without access to markets. If anything, the opposite has materialized. It is in sub-Saharan Africa that we have seen a massive spread of mobile telephony and of related services—in particular, of mobile banking—which have had a deep impact on economic opportunity available to people in developing countries as well as on their personal safety and security.

The book concludes with two essays on finer points of economic theory: one that maps the key differences between an Austrian approach to social theorizing and one on the existence (or non-existence) of the income effect. Like the rest of the book, both contain interesting material, valuable to researchers and students interested in Austrian economics.

Although the papers included in the volume are largely self-contained, they share a number of common threads. Besides being jointly inspired by Hayek's views of spontaneous orders, competition, and the evolution of institutions, they also offer a cohesive ethical framework based on the recognition of legitimate property rights as the foundation of capitalism.

Public choice analysis is one element that is used relatively sparingly in the book. The arguments against EU institutions, for instance, do not consider the possibility that the political dimension of the project— as opposed to the mere dismantling of barriers existing at the national level—may serve as a commitment device for self-seeking politicians who would otherwise be tempted to renege on a regime of free trade or free movement of people if they were not constrained by the potential penalties imposed from Brussels. This is not to say that such public choice considerations would provide a satisfactory account of the emergence of EU institutions, but they certainly merit explicit consideration.

While we should not assume politics away from our discussions of alternative institutional arrangements, there is no reason to believe that the current form of the EU is desirable or "optimal" in any sense of the word. And neither does the relative absence of public choice arguments detract from the value of the book as a resource for academics and laymen wishing to learn more about the positive applications of Hayekian thinking with regard to both real-world policy problems and problems of economic theory.

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The Conservatarian Manifesto: Libertarians, Conservatives, and the Fight for the Right's Future
Charles C.W. Cooke
New York: Crown Forum, 2015, 231 pp.

It's altogether fitting that a book throwing down the gauntlet for a libertarian-conservative fusion in the 2010s has emerged from an author linked to the same magazine as the progenitor of the original