its monopoly power for high returns, eschewing innovation and concentrating on the middle-class as it condemned the poor to high fares and inadequate service.

Thus this fine monograph, based on an exhaustive use of archival sources and printed materials, reinforces a certain revisionist current in business history. It provides a well-documented case study for those who see the rise of large business enterprises in highly concentrated sectors as brought about, in part, by fully cognizant would-be monopolists as well as by supposedly inevitable and largely beneficial technological developments.

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European Monetary Union since 1848: A Political and Historical Analysis. *By Wim F. V. Vanthoor* • Brookfield, Vt.: Edward Elgar, 1996. 207 pp. Charts, tables, appendices, bibliography and index. $70.00. ISBN 1–8589–8461–0.

Reviewed by Huw Pill

Having worked as a central bank economist in Europe during the early 1990s, I am well aware of the rewards offered—and constraints imposed—by the central bank environment. One obtains an insight into the formulation and operation of monetary policy that is the envy of outsiders. But the conclusions and implications of one's work often have to be hedged with qualifications, and presented in an arcane jargon, obscure to all but monetary technocrats. As the world's leading central banker, Federal Reserve Chairman Alan Greenspan, recently said: "If I have made myself clear, then I have been misunderstood."

European Monetary Union Since 1848 was written by a senior official at the *De Nederlandsche Bank* (the Dutch central bank), and therefore has predictable strengths and weaknesses. It is at its best when offering a detailed account of the convoluted and, at times, halting institutional path to a single European currency; it is at its weakest when drawing conclusions and policy implications from this generally excellent analysis. Vanthoor's work has some hard-hitting implications for the EMU (economic and monetary union) project. It questions whether monetary union is attainable, sustainable, or desirable in the absence of much greater political integration in Europe. Yet the author is unable or, perhaps more likely, unwilling to articulate this conclusion. The final section of the book is therefore a disappointment. Rather than fireworks, the concluding review of contemporary economic literature is a damp squib, unworthy of the earlier chapters.

Fortunately, the preceding sections of the book are excellent, more than compensating for the vacuous conclusion. Part One describes monetary integration in nineteenth-century Europe. While institutions and instruments were quite different, the catalog of problems facing monetary union will sound all too familiar to today's students of EMU: Fiscal indiscipline, insufficient economic integration, destabilizing speculative capital flows, and lack of political will. Vanthoor's assessment of monetary successes and failures in the nineteenth century hinges on politics. Where political union was achieved first—as in Germany and Italy—monetary union followed and prospered. In contrast, monetary integration without political integration—as in the Latin or Scandinavian monetary unions—was ultimately doomed to fail.

Politics have been, and always will be, the main determinant of the success of monetary integration. Monetary policy is an inherently political process. Governments, as owners of a central bank, have, quite literally, a license to print money. This is something they will not give up lightly.

Politics has also driven post-war European integration, the subject of Part Two of the volume. The description of monetary arrangements in Europe, especially their evolution since 1970, is outstanding. This book places the Maastricht Treaty of February 1992 in a proper historical context. While many analyses of EMU make some passing reference to the doomed Werner Report of 1970—mocking its goal of achieving monetary union in Europe by 1980—Vanthoor describes the political, institutional, and economic reasons for failure. These are illuminating. Vanthoor's analysis makes sense of the Maastricht Treaty—its rigid adherence to apparently arbitrary targets and timetables are clearly born of frustration with the delays and inconsistencies of the 1970s.

Vanthoor's hypothesis is clear, if largely implicit. He makes the federalist case. Monetary union implies a single monetary policy. Moreover, it requires fiscal discipline within the union, imposed from the center. Anything less on either dimension dooms the union to failure, as history can attest. Macroeconomic policymaking must therefore be unified. To remain accountable—essential in a democratic system—a single government is required to oversee these unified, continent-wide policies. Monetary integration therefore requires political integration. More powerful supranational political institutions in Europe are a prerequisite for successful monetary union.

Vanthoor's case is compelling, but not watertight. A single monetary policy will inevitably result from monetary union, but a single fiscal policy need not. The fiscal policies of American states are largely free from federal control. The capital markets, rather than the federal government, impose fiscal discipline on the states in the U.S. monetary union. Such market discipline is already being exerted in Europe. The prospect of being excluded from the first wave of EMU has prompted political change in several European nations, driven by the need to satisfy the international capital markets and the Maastricht Treaty criteria. Simultaneously, Italian ex-communists and Spanish ex-Falangists—ideological opposites only twenty years ago—are cutting government spending, raising taxes, deregulating markets, reforming institutions and capping social security payments, all with the goal of joining EMU. Policies that would have been unthinkable five years ago are now being implemented, driven by the prospect of monetary union.

The imperatives of EMU and the Maastricht criteria compel a convergence of policies. A single fiscal policy is unnecessary if market discipline forces governments to introduce appropriate, and complementary, measures throughout Europe. Vanthoor's gloomy assessment of the outlook for EMU, shared by the economists he cites in his conclusion, ignores the political changes being wrought by ongoing monetary integration itself. While politics are an important determinant of the prospects for monetary union, causality can run in both directions.

The volume suffers from several omissions and a few small factual errors. The translation from the Dutch is, at times, convoluted. Nevertheless, as a record of the political and institutional antecedents to EMU, this book offers a level of detail that will be hard to match. The detailed chronology in the appendix will be an invaluable reference for students of European monetary integration. However, those desiring a clear and decisive prognosis for EMU, based on the historical record, will have to look elsewhere. Polemical fireworks on such a sensitive topic are not part of the central bankers' lexicon. In this respect, this central bank author conforms to type.

Huw Pill is assistant professor of Business Administration at the Harvard Business School. His current research investigates the role of financial market and capital account liberalization on macroeconomic performance, and has appeared in economics and development journals.

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Women Workers and Technological Change in Europe in the Nineteenth and Twentieth Centuries. *Edited by Gertjan de Groot and Marlou Schrover* • London: Taylor & Francis, 1995. ix + 206 pp. Notes, charts, graphs, figures, photographs, and index. $75.00. ISBN 0-7484-0261-6.

Reviewed by Theresa McBride

Although women are taking to the "net" in large numbers, apparently finding "community on the web," technology, according to the traditional stereotype, is intimidating to women. Technical competence and innovation is associated with masculine gender identity. Yet the conventional theory of historical change argues that technology in the workplace has over time reduced the role of skilled work, and allowed the substitution of cheaper, young, female labor for experienced adult men, that is, that women replace the men in operating the new machines. The historians in this volume prefer to highlight the complexity of the interaction between women's work and technological change in Britain, Holland, Denmark, and Sweden. Their interpretations on established themes are compelling if not fully satisfying.