tive if they were less brief relative to the material contained in the text (see, e.g., chaps. 3, 4). These are minor complaints, however. The monograph will be a valuable reference for researchers on demography, especially for developing countries.

Rival Capitalists: International Competitiveness in the United States, Japan, and Western Europe. By Jeffrey A. Hart. Ithaca, N.Y.: Cornell University Press, 1992. Pp. x+305.

Alan Cawson
University of Sussex

A more accurate title for this important study would have been *Rival Capitalisms,* since the focus is not on a global process of competition between capitalist firms but on differences in the institutional structure of capitalism in five major industrialized countries (the United States, Japan, France, the United Kingdom, and Germany). Hart's thesis, simply stated, is that the most important explanation of differences in competitiveness or economic performance between countries is the variation in state-societal arrangements—that is, the distribution of power between state, capital, and labor. The two countries with the best post–World War II record, Japan and Germany, are those where power is shared between two of these three institutions: the state and capital in the case of Japan and labor and capital in the case of Germany. The other three, Hart argues, are cases where one institution is dominant: capital in the case of the United States, labor in Britain, and the state in France.

Hart seeks to establish his central argument in two ways. First, he presents an overview of the institutional features of each country in order to locate each case in terms of various possible state-societal arrangements. Second, and here lies the substantial merit of this book, he presents detailed empirical studies of the steel, automobile, and semiconductor industries in each of the five countries to show how political institutions affect industrial competitiveness. He argues that the way in which technologies are developed (or obtained) and diffused through the sector is a crucial determinant of competitiveness and that institutional arrangements shape systems of innovation.

For example, the effective partnership in Germany between labor and capital accounts for the institutionalization of vocational and industrial training that fits workers' skills to the requirements of new technology. In Japan the strength of the bureaucracy and links with business have helped to create a system where the priorities of the production system and its continual upgrading have been unchallenged policy goals. In the three cases where state-societal arrangements are dominated by a single institution, mechanisms for the diffusion of innovation into manufacturing practice are weak or missing and economic performance is impaired.

Hart's shrewd choice of sectors allows him the opportunity to test his arguments on three industries in very different stages of maturity, so he can see whether the institutions that successfully nurture infant industries are as effective in handling problems of decline and industrial adjustment. In general, this does turn out to be the case, with Japan and Germany better able than the other countries to organize capacity reduction in the steel industry or assist the modernization and internationalization of production in the auto industry.

Hart has done an impressive job in assembling the large range of empirical information that makes broad analyses of this kind possible, and this alone will make *Rival Capitalists* an invaluable source for students and researchers alike. However, as in many undertakings of this kind, there is a slight sense of unease about the extent of generalization and something a little too neat about the fit between the countries and the ideal-type categories from the typology of state-society relationships. There is as much sectoral evidence *against* the labor-dominant view of Britain and the state-dominant view of France as Hart presents for them, and one can think of many sectors of the U.S. economy that cast doubt on the business-dominant model.

Hart's account stresses the importance of state-societal arrangements in explaining national competitiveness and underplays the importance of the international dimension in explaining the production and market dynamics of particular industries. This is not simply a point about the importance of multinational enterprises and foreign direct investment in explaining technology diffusion (a point that Hart sadly neglects) but also a point about the need to set national policy systems within an international political (as well as economic) context. It is strange, for example, that this book analyzes current trends in industrial competitiveness in three European countries without mentioning the European Community (EC) at all. Since the early 1980s several important policy initiatives concerned with technology development and diffusion have been undertaken by the EC, the "1992" program has completed much of the internal market, and EC institutions have tightened their grip on trade and competition policies. All of these developments have affected the industrial competitiveness of member states and deserve some discussion.

Hart's book is an important, if flawed, attempt to bring a political perspective to bear on explaining economic phenomena and deserves to be widely read and argued over. By locating the explanation of economic performance in relatively enduring institutional features, the author eschews simplistic policy nostrums and quick fixes but leaves the British or American reader wondering apprehensively what kind of political upheaval might be necessary to spur institutional change and regain competitiveness.