Keetie SLUYTERMAN (ed.), *Varieties of Capitalism and Business History – The Dutch Case*, Abingdon (Oxon), Routledge, Routledge International Studies in Business History, 2015, 246 pp.

Several books on Dutch economic, political and institutional development have been published recently. The book that I will review here is an edited volume with the title *Varieties of Capitalism and Business History – The Dutch Case*, or "The Dutch 'polder model' under first-rate scrutiny", which is an outcome of an extensive research program, *Business in the Netherlands in the Twentieth Century, BINT* (other recent volumes are Touwen, 2014; van Gerwen et al., 2014). The recent books are very timely as there is an on-going and wide interest in small, open economies that successfully combine favourable economic development with extensive social welfare, a high level of taxation, egalitarian policies and a fair amount of coordination and collaboration; features not always considered advantageous to high growth rates. This book, edited by the Dutch business historian Keetie Sluyterman, reviews Dutch economic and business development in an historical perspective, using the Varieties of Capitalism framework (VoC). Apart from offering new perspectives on the Dutch economy over the long term, the goal of the book is also to analyse whether the VoC approach is applicable when analysing economic and institutional development historically.

This is an interesting task. The VoC approach – which received its name from Peter Hall and David Soskice's book *Varities of Capitalism. Institutional Foundations of Comparative Advantage*, published in 2001 – is not fully embraced by all economic and business historians. A common argument among historians is that it is too static; VoC scholars tend to 'plot' countries along the axes liberal/coordinated at a specific point in time instead of taking into consideration the movement of countries over time from, for instance, a coordinated model towards a liberal one (and back again). Another common criticism is that the VoC is too simplistic, being purely analytically dualist with only the two concepts: liberal market economy (LME) and coordinated market economy (CME). Most (or all) countries have elements of both the liberal and coordinated model. As a rule, historians are interested in change, preoccupied with the complexity of the world, and usually abhor simplifications, so the VoC framework is often considered of little use in historical analyses.

Some of the VoC literature is indeed static, focusing on only one specific point in time and drawing conclusions that are too far-reaching about an individual country over time; this standard criticism is in fact a little past its sell-by date. During the last decade, the discussions within VoC have increasingly addressed problems of how to understand and explain institutional transformations as well as what triggers change. Further, many VoC scholars have acknowledged a greater need to focus on complexities and variations.

Sluyterman and her colleagues are well-acquainted with the 'state of the art' in the VoC debate and, fortunately, do not dismiss the VoC framework as unusable. Instead they courageously take on the task of examining the applicability of this approach for analysing long-term institutional, economic and business development. Indeed, Keetie Sluyterman's own introductory chapter provides an in-depth analysis of the framework and its main strengths and weaknesses. The approach is thus well laid out from the outset.

The book has many benefits. Although the authors explicitly adopt the VoC framework in their analysis, all its chapters are strongly historical as well. The book addresses a great range of sectors and topics, from the role of entrepreneurship and educational and innovation systems to the impacts from multinationals and interfirm collaboration. Unfortunately, I cannot go through all the chapters here, but only mention a few. One of the most interesting is the one by Abe de Jong, Ailsa Röell and Gerarda Westerhuis on ownership structures and the rights and roles of shareholders in Dutch capitalism. The question of corporate governance and financial systems in divergent capitalisms lies, as the authors state, "in the heart of the debate on VoC". The standard hypothesis of VoC is that in a liberal market economy (LME) firms rely primarily on market-based solutions, while the stock market is important for raising capital. In a LME shareholders also have a strong position and minority shareholders are well protected. In CMEs there are more nonmarket relations overall, and the financial system is often bank-centred. There are often strong block-holders – even systems with divergent series of shares can exist – and minority shareholders are less protected than in a LME.

However, although these features receive support by de Jong et al., they also paint a more complex picture of Dutch businesses. Overall, their study provides a genuinely fresh perspective with interesting new insights. Particularly interesting is their analysis of shareholders' meetings and how shareholders have acted on these at various points in time and within different companies. They show that the shareholders' ability (and perhaps also willingness) to exercise influence has varied significantly over time. In fact, they have been less influential than is often assumed including during more liberal periods. The research by de Jong et al. shows that the role of the shareholder and stakeholders in various modes of capitalism presented in the VoC literature needs to be problematized. This does not mean that one should dismiss the framework, however. On the contrary, their chapter is an excellent example of the fruitfulness of in-depth historical research, combined with hypotheses and concepts from the VoC literature.

Jan Luiten van Zanden deals with the interesting, but complex, question of the connection between institutional regime and economic performance. Has the Dutch economy performed better during its more coordinated or more liberal periods? The Dutch economy has generally performed well over the last century, especially during the coordinated era in the post-war decades. But were the good growth figures a result of coordination and collaborative features or something occurring irrespective of it? Was the favourable economic development during the post-war period primarily a result of the fact that this was the case throughout the Western world during the so-called "Golden Era"? These are not easy questions and the link between coordination and growth is far from straightforward. However, van Zanden argues that the strong growth policies adopted in the Netherlands – and in many other Western European countries during this period – focussed on keeping the investment [interest?] rate high and promoting R&D. In the Netherlands, this was supported by rapid population growth and a fair amount of catching up. Van Zanden also emphasises that the shift towards LME has been followed by a decline in the rate of investment and in R&D expenditure, taken as a share of the GDP. Moreover, there has also been a clear shift from labour to capital. The effects from this on growth figures are worth further analysis. It is also well-known that productivity growth has declined throughout the Western world during recent decades.

One of the key conclusions in the book is that not only was there a transition from a CME to a LME (which is often assumed if one looks only at the post-war period), but some kind of 'waves', i.e. periods with more liberal characteristics have been followed by others with more coordinated characteristics. Similar results were observed in the Nordic countries in the study of Nordic capitalism published in 2008 (Fellman et al., 2008). The various chapters also show clearly that 'coordination' does not result in the same type of institutions over time. The chapter on labour market institutions by Erik Nijhoff and Annette van den Berg take this very illuminating perspective.

Several of the book's chapters also show that a significant amount of coordination has occurred both during more coordinated and during more liberal periods. For example, in their chapter on entrepreneurship, Jacques van Gerwen and Ferry de Goey conclude that there were, in fact, a surprising amount of similarities between periods classified as CMEs and those classified as LME. Bram Bouwens and Joost Dankers, who deal with competition and collaboration in Dutch business in the long term, show a large range of various forms of market coordination stretching over both liberal and coordinated periods. There is, perhaps, a tendency to consider 'coordination' equal to state-led coordination. However, much coordination is in fact both private and voluntary ('self-regulation'). There is also a need to problematize the concept of 'coordination' more. For example, what are we talking about when we talk about coordination?

Although the focus of the book is strictly on the Dutch economic/business system, all of the chapters take an international perspective. This is good and increases the attractiveness of the book outside the Netherlands. This comparative perspective is especially explicit in the concluding chapter, where Sluyterman puts the Dutch "case" into a broad comparative perspective and evaluates the book and its results, with similar attempts to use the VoC for studying long-term institutional and economic transformations. For a Nordic scholar such as myself, the similarities between Dutch and Nordic developments are obvious and Sluyterman makes explicit comparisons with literature on the Nordic model.

The focus of edited collections is often heterogeneous, to a greater or lesser degree, but this is not the case here. Perhaps one reason for this is that the book is one outcome of an extensive research project. All authors explicitly analyse their own topic using the VoC framework and all evaluate the framework's usefulness for their particular case. The individual chapters are, however, somewhat heterogeneous in their scope. Some chapters focus on very broad questions, at the same time as the authors contextualise the discussions both scholarly and historically, while other chapters are narrower in focus. The chapters also differ in analytical depth: some are based on new and in-depth research, while others take the form of overviews based mainly on secondary literature. There is also some minor overlapping between the chapters. As all chapters explicitly address the VoC framework and its usefulness, the book also becomes a little repetitive at times, especially in the discussion sections.

The discussions on what triggers change over time and at different points in time could have been addressed more explicitly. All chapters show that significant changes have occurred and the authors discuss when and how, but the discussion on what triggers these changes – or why some things do not change, for that matter – could have been brought more to the fore in some chapters. The tension between continuities and ruptures is something with which we historians deal (and struggle) in our work. Some concepts from the VoC could also have been used more explicitly, "institutional layering", for example. Institutional transformation does not always mean that old institutions disappear and are replaced by new ones, but that new elements are added to what already exists. Thus, what is building on the old and what is truly new could occasionally have been discussed more explicitly.

All in all, these points of criticism are only minor flaws. The book is without doubt an excellent and detailed historical account of the Dutch economy and the country's institutional development over a long period. The form and extent of coordination over time is well described and convincingly analysed. Moreover, the book provides a compelling analysis of both the usefulness and the limitations of the VoC framework when examining the changing forms of market economies over time. At the same time as the authors take the VoC approach seriously, the genuine strength of the book is their flexible approach to it. I can only conclude by saying that the book deserves a wide audience.

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