

Book Reviews

ANCIENT TO MODERN EUROPE

Single Markets: Economic Integration in Europe and the United States. By Michelle P. Egan. Oxford: Oxford University Press, 2015. Pp. vii, 321. \$85.00, hardcover.
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In this timely volume, Michelle Egan compares and contrasts the emergence of the United States and the European Union into recognizable and viable political and economic entities. Combining deep research on the history of integration on the two continents and theoretical insights from scholars in the American Political Development tradition, the author describes the political, social, and economic forces behind consolidation, as well as those that held it back. A main contribution of this book lies in the rich description of federalism as a contested outcome, the contours of which diverged across regions because the United States was originally a political union and then a common market, whereas the European Union has pursued the opposite route. Despite this seemingly fundamental difference, Egan skillfully uses the comparative framework to put in sharp relief the past and present, if not future, of these monoliths. Her bottom line will not be unfamiliar to readers of this JOURNAL. The integration of capital, labor, and product markets is inseparable from the larger project of institutional and regulatory development—and the obverse is also the case.

The book is divided into two parts. The first section presents a historical comparison of the formation of the American and European models and their allocation of authority. The formation of the U.S. single market was drawn out more than 150 years, that of Europe being telescoped in a short period in the late twentieth century. Nonetheless, armed conflicts were watershed moments in both histories, as was the geographical division between north and south. Egan goes on to examine the legal frameworks that buttressed the movement toward integration and that overcame local, state, and national resistance. She portrays deftly the competing interests behind the establishment of central banking and the rise of the dollar and Euro. Unlike the dollar, the Euro is optional, as is membership in the European Union more generally, good examples of the different political-economy forces in operation on the two continents. While states and Washington have found a *modus vivendi*, that between constituent nations and Brussels remains a work in progress.

In the book's second part, Egan studies integration of four distinct markets, that is, for goods, capital, services, and professionals. These chapters have a common structure. Egan begins with the historical development of markets in the United States, beginning with the antebellum period, continues with some possible lessons for the European case, before examining in detail the latter's experience. Her treatment is thorough and fair. In the case of the single market, Egan observes surprising parallels between the consolidation of a common U.S. market enclosed by a tariff wall, and developments in the European Union, a common tariff being introduced in 1968. While the latter is not overtly protectionist, the movement of goods and people with the single market zone is at the expense of bilateral flows with partners outside the zone. A distinguishing feature of the E.U. market is the proportion of intraindustry trade. As do economic historians

of the United States, Egan gives considerable attention to the development of a unified European capital markets. Indeed, the liberalization of capital markets has become something of a priority for Brussels, 25 measures alone being adopted in the short period from 1985 until 1992. In the chapter on services, Egan uses the consolidation of transport at the federal level to highlight her general point of how efforts to remove barriers of trade liberalization came up against vested local interests. Interestingly, in the case of railroads, consolidation on both continents meant a decrease in the use of services. As for the movement of professionals, in comparison with the United States, labor market integration in the European Union lags behind, capital flows being a substitute for labor mobility. Brussels has had modest success in weakening the grasp of the nation state on labor regulations and, more generally, measures of welfare provision. Here the legacy of history seems unyielding.

To be sure, the comparative framework has its limits. Egan's narrative is an amalgam of models of domestic and international trade, thus overriding Charles Kindleberger's (*International Economics*, Homewood IL, Richard D. Irwin, 1963, p. 13), dictum that they are distinct. As Egan recognizes, the European Union, despite its lofty ideals, is limited to being a jural state. A related concern is that Egan restricts herself to a two-way comparison across time, undervaluing the interdependence between regions, and with other partners. That said, Egan's basic framework will serve as a reference for economic historians interested in the development of federal institutions and regulations in Brazil, Canada, Germany, and elsewhere.

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An Economic History of Portugal, 1143–2010. By Leonor Freire Costa, Pedro Lains, and Susana Münch Miranda. Cambridge: Cambridge University Press, 2016, xii + 406. \$100.47, hardcover.

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Despite its long and eventful past, Portugal today is among the least developed countries in Western Europe. Beyond a central role in the fifteenth-century discoveries and the age of empire, or a long lasting colonial legacy, not much has been written on Portugal's economic history for the international audience. A tall task, therefore, faces the authors of *An Economic History of Portugal, 1143–2010*, who, in 352 pages, shed light on the historical progress of the Portuguese economy over the course of 867 years. The book is organized in six chapters matching the defining stages, according to the authors, of Portugal's economic progress. Here, I focus on the interpretation of these key historical junctures.

Portugal's origins mount to the Middle Ages with the Christian reclamation of land under Muslim control since the invasion of Iberia in 711. Iberian kings carrying out the expansion appealed to the aid of Christian kings across the Pyrenees, who dutifully responded in a medieval world where second sons inherited no property. Portugal thus emerged from a land concession whose borders were to be expanded by one of such second sons, first as a county under the kingdom of León in 1096, and then as an independent kingdom after 1143. The establishment of Portugal's final borders in 1249 started a period of relative peace unlike other Iberian kingdoms, which kept reclaiming land until