and weakness because it is difficult to find the theoretical forest for the very detailed descriptive trees. There is a nod in the introduction and conclusion to the importance of ideas, interests, and institutions as factors determining outcomes in each of the three cases. And there is an extensive and theoretically sophisticated literature in political science and sociology that explores the interplay among these factors in determining policy outcomes. In particular, there is much debate about the conditions under which each one is more or less important. But this literature is largely ignored in the book. For example, Hart explains that the concept of digital convergence was central to the empirical stories insofar as various actors used it to help defend and legitimize their positions in the standard-setting debates. But he does not develop connections between this story and the literature on how ideas affect policy making. Similarly, while he pays some attention to how institutional differences affected policy outcomes, the differences in question are how economic actors were organized and especially whether TV broadcasters were publicly or privately owned. Surprisingly, the institutional arrangement of politics is barely mentioned. Given that there are well-known differences in the political institutions of Japan, the United States, and the European Union, I would have expected that these differences would have figured into the discussion as well.

In sum, this book does a splendid job of documenting the pivotal struggles around standard setting in one of the digital age’s most important technologies and is worth the effort for readers who are interested in this sort of thing. For the more general academic audience, however, it may be difficult to find the theoretical punch lines.

*Speculative Management: Stock Market Power and Corporate Change.*
By Dan Krier. Albany: State University of New York Press, 2005. Pp xi + 315. $89.50 (cloth); $27.95 (paper).

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Dan Krier begins with a disturbing contrast between two large American industrial corporations. One, the pseudonymous American Steel, underwent painful but successful restructuring, including plant closures and layoffs, only after long, careful study of production needs and market trends. The other, Sunbeam, appointed “Chainsaw” Al Dunlap as CEO in 1996, where, to Wall Street fanfare and rising stock prices, he announced after a *two-day* review of operations the competitive necessity of workforce reductions, plant closures, and so on (acts that eventually led to the closure of even efficient factories and that rendered Sunbeam unprofitable for years). Sunbeam, despite a *production management* rhetoric akin to that of American Steel, was rather an almost pure case of
speculative management—managerial activity oriented exclusively to secondary stock markets for short-term gains—of the sort that Krier argues to be responsible for much of the raft of corporate restructurings and downsizings that swept American industry in the 1980s and 1990s.

Drawing on his skills as a former auditor, economic sociologist Krier examines regulatory filings and annual reports from 100 industrial and 67 nonindustrial Fortune 500 American corporations between 1984 and 1997. Not only was restructuring stunningly common, it was variegated across “transactional” (e.g., mergers and acquisitions) and “internal” (e.g., downsizing) reorganization: these rose and fell together until 1990, at which time internal restructurings began to grow rapidly even as transactional restructuring fell; then, in 1994, the pattern inverted.

To interpret this, Krier argues that particulars of the American shareholders’ revolution led large corporations to be controlled neither by owners nor by managers, but by elite members of each group whose interests have become largely decoupled from those of small shareholders, middle managers, and workers. Big owners and top managers now form “speculative teams” who benefit mightily from opaque financial reporting and the hiding of recurring business expenses in one-time restructuring charges, since this inflates reported future profits and drives up short-term stock prices so long as key “social intermediaries” are on board. Specifically, business media must provide cover for restructuring in general by characterizing it as an “aggressively good,” and thus ostensibly profit-raising, management practice; and the Financial Accounting Standards Board must give leeway in what can count as “restructuring.” Inflection points in reorganization patterns, then, reflect changes at this social intermediary level, including, especially, 1994 changes in the accounting rules to restrict what could be larded into one-time restructuring charges and increased business press scrutiny of downsizing failures and serial restructurings.

The account is in many ways convincing, yet it satisfies its initial promise only partially. Despite the defense that it aims to be but an “ideal-typical” account, a plausible lens alternative to putatively dominant productivist views through which to interpret late 20th-century corporate restructuring, the book is nonetheless limited by an inadequate return to the spirit of an opening contrast premised on the interaction between speculative management and its oppositional—productive—type. We are “hooked” by the point that actors in stock markets often derive “reorganizer’s” profits through the not-so-creative destruction of value, which is, of course, very poor production management; but because Krier’s social intermediaries remain, for the most part, unmoved movers (except insofar as they are influenced by speculative teams and their allies), too little thought is given to a key implication of the argument. The incentive and willingness of speculative managerial teams to bend accounting rules and to mimic ritually “aggressively good management practice,” long-term consequences be damned, is well documented here (and elsewhere); yet
if the inflection points in patterns of restructuring follow from changes in the behavior of the relevant social intermediaries, one must recognize also that these actors and institutions mediate not only between speculative teams and buyers of stock, but also between these groups and a “real” economy in which high costs and low sales do, at least occasionally, force drastic action (ask GM). The argument would, for example, make it seem largely a matter of accounting rules that the height of internal restructuring among industrial corporations immediately followed a nadir of demand, particularly for durable goods (1990–92).

Still, Krier is certainly right that growth in transactional finance led to some horrible and stupid internal restructurings undertaken in part, if not entirely, to move stock markets with little care for what happened on the ground. Yet, though true that speculative considerations often undermine productive ones, it is the interaction between the two that counts, for without this it becomes hard to understand fully exactly how and why the ritualistic “aggressively good management practices” and variable accounting standards that drive Krier’s story come and go. In this sense, this U.S.-centered book is a useful account of turbulent years, but is perhaps best read with an eye also toward comparative institutionalist literatures in political economy concerned with struggles between shareholder and stakeholder visions and varieties of capitalism.


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For centuries money has puzzled economists, social scientists, and historians alike. Though money surrounds us every day and actors are competent in using it, it seems to escape scientific understanding. Why is it that we are willing to accept seemingly worthless pieces of paper in return for valuable goods? Looked at closely, money exchange seems so mysterious that analysts of money quite frequently even assign religious qualities to it.

That the puzzle of money is still unresolved is the starting point of Geoffrey Ingham’s book. The title *The Nature of Money* indicates that the book is not about the social consequences and cultural significance of money but about understanding its functioning in the economy. For Ingham, this means answering three related questions: What is money? How is it produced? Why is it valuable?

In the first part of the book Ingham discusses different approaches from economics and sociology to the issue of money. He refutes what has become the mainstream consensus on money in economics: namely, to see money only as a facilitator of exchange that has—at least in the long run—no