

volume are exclusively from southern Europe, but crisis countries were not just located there. A clear justification for the selection of these countries is missing. A chapter about the crisis in Ireland, which has a much more flexible economic structure than the southern economies, would have provided an interesting contrast.

The second, much shorter part of the book focuses on lessons from the crisis in two policy contexts, namely the banking union and social policies. Also here the question of selection criteria for the case studies can be raised. The case studies have all highlighted macroeconomic policy problems as an important cause for the crisis, especially in the areas of competitiveness and fiscal sustainability. The European reform effort has also gone in this direction, with the new Macroeconomic Imbalances Procedure and the European Semester being only two examples. To paint a fully comprehensive picture, macroeconomic policy issues would also have needed a stand-alone chapter.

Overall, the book presents a differentiated view of the European crisis, provides insightful analyses and presents realistic avenues for regaining economic prosperity and furthering European integration. Each chapter stands by itself and can be individually read. This book will be rewarding for (political) economists and political scientists both in the policy world and in academia, as well as for a broader audience interested in the European crisis.

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Arms Industry Transformation and Integration: The Choices of East Central Europe, by Y. Kiss (Oxford: Oxford University Press and Stockholm International Peace Research Institute, 2014, ISBN 9780199271733); xiv+464pp., £40.00 hb.

Through the course of 12 chapters, economist Yudit Kiss presents analysis and case studies on the arms industries of Poland, Hungary, the Czech Republic, Slovakia, Bulgaria, and Romania. In each section, copious examples demonstrate how these Eastern Central European (ECE) countries balance NATO obligations, considerations of EU policy and respective domestic political concerns. Poland, which joined NATO in 1999, exemplified this tension when it decided to procure the F-16 in 2003 over the French-made Mirage 2000. At the time, executives at Dassault Aviation, which produces the Mirage, saw the disappointing decision as not only bad for their business, but also an affront to consolidation of the arms industry in Europe and the CFSP (Common Foreign and Security Policy).

The author details Poland's difficult decision in Chapter 3, analysing how it was affected by its own economic and geopolitical positioning, as well as by external pressure. This pressure included, for example, American requests for Polish participation in Operation Iraqi Freedom, which began in March 2003. Such multi-layering of allegiances and economic demands in the maintenance of economic and state viability certainly affects not just Poland, but all Eastern Central European countries studied in this work, to varying degrees. The author analyses not only how decision-making and industry capabilities stem from these individual countries' recent pasts, but also how they contribute to the present economy.

Poland, which joined the EU in 2004, is described as a model case of Eastern Central European arms industry transformation. However, all ECE countries seek equilibrium between politics, economic viability, research and development requirements and positive export–import ratios. The author documents this past and ongoing process by allocating a

chapter and appendix to each country; these appendices include interesting case studies, which demonstrate the arms industry capacity of the respective country.

The degree to which Poland and its Eastern Central European peers achieve this complicated task while gaining increased economic opportunity and growth will continue to shape Eastern Europe. Due to ongoing conflict between Russia and Ukraine especially, defence and arms-related decisions affect not only individual countries, but also NATO as well as relevant and appropriate defence postures. In all of the case studies, especially those of Hungary, Slovakia and Poland, a positive and important characteristic of Kiss' research and narrative ability is the entwining of historical and current economic and defence factors. These factors provide useful context and clearly delineate how Eastern European countries arms industries have developed since the end of the Cold War. Altogether, Kiss' work is a tremendous and remarkably well-constructed resource. Her analysis of arms transformation in Eastern Europe is not only highly useful for analysts, but is timely and relevant as well.

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Economic Policy Coordination in the Euro Area, by Armin Steinbach (London and New York: Routledge, 2014, ISBN 9781138023970); x+201pp., £90.00 hb.

This book addresses the crucial policy dilemma brought to bear by Europe's Monetary Union and recently evidenced by the euro crisis: to what degree and how do euro area Member States need to co-ordinate their economic policies? The author, a research-minded practitioner working for the German Ministry of Economics in Berlin, aims to 'examine the need for economic policy coordination within the euro zone and describe the form it may take' (p. 5). This overarching theme guides his analysis in an endeavour that is more empirical than theoretical. Steinbach first provides an exhaustive assessment of the heterogeneity in EMU along with observed externalities. He then systematically retraces the evolution of economic policy co-ordination instruments in the euro area since its creation up until the recent set-up of the European Stability Mechanism. This well-constructed examination is supported by an extensive review of secondary literature on the subject, mostly in economics, political economy and public policy. A notable feature of Steinbach's book is the methodical rooting of co-ordination instruments (and of alternative options that the author suggests) into distinctive Keynesian and neo-classical traditions.

Steinbach's key contribution lies in the thorough classification of the euro area's economic policy instruments. His original categorization is organized around the distinction between horizontal and vertical co-ordination, which take varying values: cross-border and cross-policy for the horizontal co-ordination and soft, hard and centralized co-ordination for the vertical co-ordination. Two parts of the author's study proved particularly rich, not least because of their comparative dimension. In the section on fiscal federalism, Steinbach distinguishes between federal and union regimes and draws pertinent implications for the European Union, set to face this choice over the next decades. The wage-bargaining part of his book is a well-substantiated *tour d'horizon* of bargaining systems in their diversity and complexity.

The analysis could have engaged more strongly with the challenges that economic policy co-ordination inherently brings in terms of political integration. Of all things,