

available) that might allow him to see how union leaders tried to grapple with the challenges of their strategies, or the possible tensions that might have simmered behind the scenes. The broad question of how unions emerged as financial actors and what they did with their capital once they had it can be traced back to earlier in the postwar years—a story that Jacoby does not tell. Nor does he explore the ways that ordinary union members might have thought about or perceived the issues at stake. The reality is that financial strategies were appealing to unions—but only successful in limited ways, and ultimately in ways that may have undercut the organizing that would be the only real chance for rebuilding strength and relevance. Despite these limits, Jacoby’s fine book, by raising these issues, has opened a path and set out a conceptual framework for future archival work.

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Seven Crashes: The Economic Crises That Shaped Globalization. By Harold James. New Haven, CT: Yale University Press, 2023. 376 pp., 16 b-w illus. Hardcover, \$32.50. ISBN: 978-0-30-026339-8

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Reviewed by Matthias Kemmerer

Have we hit peak globalization, with industrial policy on the rise again? The disruptions of the Covid-19 pandemic, the prospect of US–China decoupling and Russia’s war on Ukraine have all sparked supply-chain anxieties, tense geopolitical rivalries, and vast subsidies that seem to upend decades of free trade. Bringing home production and re- (or “friend-”)shoring supply chains to secure critical commodities or manufacturing jobs have become part and parcel of the support packages offered by today’s biggest Western economies.

Such protectionist policy responses may prove transformational. And they might, conceivably, usher in a new era of deglobalization. But they are far from unprecedented. As renowned Princeton University historian Harold James shows in *Seven Crashes: The Economic Crises That*

Shaped Globalization, dealing with (either positive or negative) supply- or demand-side shocks has always been a key challenge for global economic integration and the international division of labor since the 1800s.

A simple yet central insight underpins James's account: economic crises drive epochal changes, with globalization being the ultimate response; and, he argues compellingly, it is also the ultimate solution to economic malaise. Starting with the Irish Famine of the 1840s, James recounts the seven crashes (the Panic of 1873, the First World War and ensuing hyperinflation, the Great Depression, the 1970s inflation, the post-2008 Great Recession, and, most recently, the Covid-19-induced lockdowns), which he sees as having prompted rethinking in the development or application of new or often already existing technologies to address goods shortages, over-supply, or under-demand. Understanding the big shifts in relative prices, James rightly argues, is key to understanding global markets.

James, an immensely learned scholar, relates how "shock moments" (the book's perhaps more apt title used for the German edition) have triggered thought experiments throughout history, and how, in parallel, the science of economics has progressed through to the present day. That makes *Seven Crashes*, above all, a fine history of economic thought. The Englishman Stanley Jevons, for instance, is nicely depicted as the "principal creator of modern economics" (p. 75). Given his fresh mathematical approach to making sense of his volatile 1860s environment, Jevons contributed to the marginal revolution that would permeate neoclassical economics.

Drawing on many themes of his earlier trademark texts, Harold James is best at conceptualizing globalization and its reversibility when using his great literary skill. While not citing original source material (except for critical editions and fiction), James marshals an enormous range of literature. And, although he wears his erudition lightly, any reader interested in economic history will surely learn from his account. His collage-style approach is interspersed with biographical sketches that alternate with detailed descriptions of economic concepts, making *Seven Crashes* a book for academics and non-academics alike. Often, the chapters read as a scattershot succession of episodes rather than presenting a sweeping narrative arc. Nonetheless, James is able to chronicle topics, including the evolution of monetary policy and the rise of central banking (Milton Friedman, Friedrich August von Hayek, Ben Bernanke), the emergence of big economic ideas (Karl Marx, John Maynard Keynes), and the travails of German political life (Karl Helfferich). Throughout the book, James's prowess as a financial historian is on display.

Importantly, despite emphasizing the role of groundbreaking ideas, James also shows that intellectual prescriptions (such as monetarist

slogans from Friedman and Hayek) did not always translate into actual policymaking (pp. 189–190). Surprisingly, too, most mold-breakers (or shapers of globalization) in the book are individuals; that is, politicians and economists operating on a nation-state level. Global governance institutions such as the League of Nations or the International Monetary Fund, which themselves became enablers of globalization, feature less prominently in James’s account, while often becoming a lightning rod for anti-globalization backlashes. This is despite the fact that such institutions seem instrumental in superintending or at least steering globalization, as Martin Daunton has just demonstrated in *The Economic Government of the World, 1933–2023* (2023).

One quibble is that most emphasis is put on macroeconomic management and the strides made by economists in explaining global interconnections, reflecting their personal lives or professional careers (as epitomized by Larry Summers). There is, however, much less discussion of how businesses or entire industries reinvented themselves or how entrepreneurs crafted fresh ideas to grapple with upheaval. Instead, businessmen and practitioners only occasionally take center stage, and even then they are presented as figures whose primary contribution was to engage in speculation, such as the German Jewish railway entrepreneur Bethel Henry Strousberg; or Ivar Kreuger, the Swedish “match king.” Furthermore, given the book’s premises, the glaring failure of Keynesian demand management during the 1970s inflation would perhaps have warranted a more comprehensive coverage of supply-side economics. Business historians will, in other words, find much more Keynes than Joseph Schumpeter in this book.

By and large, although James does not really pinpoint the vulnerabilities that businesses face with the cyclicity of globalization, he vividly depicts the fragility of capitalist economies that affects any modern corporate environment. *Seven Crashes* teaches us that we cannot simply reimpose old ideas that were born out of economic crises prior. On the contrary, Harold James judiciously reminds us that we have the ability (maybe still unnoticed or overlooked) to shape a globalized economy that will endure.

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