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**Review of *The Future of Europe: Reform or Decline*. Alberto Alesina and Francesco Gianvassi. Reviewed by James Midgley.**

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"divorce" their parents—the course taken in Europe.

Grounded in a strong tradition of moral philosophy, this child-centered approach adds valuable support to some American legal scholars and others who have been moving more timidly in this direction, most notably with a new revision of the influential American Law Institutes' treatise on Parent and Child where "de facto" parents (such as stepparents) without biological ties would be given greater access rights.

A limitation of this book is that Dwyer limits himself to the "protective" rights of young children and does not wander into the thornier "choice rights" of maturing adolescents. For instance: does the protective state have the right to insist on drug testing for children before they may join any after-school activity, as the Supreme Court recently ruled? or, are the rights of children served when in one courtroom a 13-year-old who steals a candy bar may be given a lawyer and nearly all the due process rights of a criminal defendant while down the hall a 13-year-old whose physical custody is being determined following divorce may have no voice or representation at all? Perhaps this philosopher will tackle maturing children's rights in his next book.

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Alberto Alesina and Francesco Gianvassi, *The Future of Europe: Reform or Decline*. Cambridge, MA: MIT Press, 2006. \$ 24.95 hardcover.

With the ascendancy of market liberal ideas over the last two decades, widely held assumptions about the role of government in social welfare have been undermined by market liberals and their traditionalist allies who claim that state welfare collectivism fosters economic stagnation, dependency, moral decline and other ills. In addition to producing domestic empirical evidence to support their case, opponents of welfare statism have often used comparative data to argue for

the retrenchment of the public social services. European countries have featured prominently in accounts of the deleterious effects of government intervention. Europe's high level of unemployment, slow rate of economic growth, excessive red tape and many other problems are regularly cited as examples of the negative consequences of government intervention in social affairs. On the other hand, the low level of unemployment, steady economic growth and affluence of the United States is said to exemplify the benefits of limited state welfare intervention.

Alesina and Gianvassi offer a provocative and lively exposition of these arguments in their extremely readable indictment of European welfare statism and government intervention in economic and social affairs. The European nations, they assert, are undergoing steady economic and social decline. Evidence of this decline is revealed in high levels of unemployment, slow rates of economic growth, a lack of innovation, complacency and labor market rigidities. Unless reversed, European countries will experience further economic stagnation, relative social deprivation and relegation to the margins of world affairs.

The authors argue that the immediate causes of this situation are high rates of taxation and public spending, generous social welfare programs and excessive regulation of business enterprise. However, these problems are symptomatic of deeper cultural attitudes and beliefs that legitimate government intervention. Europe, the authors contend, has inherited a Marxist tradition that persists even though it is of little relevance to current global realities. Because of this tradition, Europeans are culturally wedded to egalitarian ideas which have a dampening affect on entrepreneurship and economic growth. In addition, because of their postwar prosperity, Europeans became complacent and dependent on generous social welfare programs, job security and extensive leave and other employee benefits. Instead of calling for a change of attitude and sacrifices to restore economic growth and prosperity, European politicians pandered to public opinion and failed to take tough decisions. Another reason for Europe's decline is a failure to develop new technologies and to reward innovation. Europeans have also been resistant to immigration, failing to

realize that immigrants bring new ideas and energy. By contrast, the United States is open to immigrants, rewards hard work and entrepreneurship, maintains low levels of regulation, taxation and social expenditure and offers a diametrically opposite and highly successful economic and social model which, the authors believe, Europeans should emulate.

The book's 14 chapters cover these and other issues in what the authors recognize is a polemical and provocative style. These chapters cover topics as divergent as employment and unemployment, job regulation, vacations and maternity leave, immigration, the role of universities in research and technology, competition and innovation, judicial involvement in business regulation, financial markets, currency issues and the question of whether the Euro and a united Europe can reverse the region's decline. The book ends with a wakeup call for Europeans to free themselves from the oppressive system of taxation, regulation and welfare spending which their political elites and governments continue to impose on them.

The authors succeed admirably in reinforcing an image of European stagnation that is currently popular in media and political circles in the United States. However, the evidence they use to support their case is questionable. Many examples can be given of how their imagery caricatures rather than represents reality. This is not to deny that there are significant cultural differences between Europeans and Americans and between their political, economic and social systems. But these differences are complex and cannot be reduced to simple, rhetorical accounts. To be fair, the authors state at the outset that theirs is not an academic book and that they are not shy in taking sides, yet they liberally cite statistical information to present an ostensibly scientific case. They also caution readers to beware of oversimplifications, yet they merrily proceed to reduce exceedingly complex issues to gross oversimplifications.

For example, they point out that they are not writing about Europe as such but about a particular part of Europe—the old Europe of Rumsfeldian notoriety—which is experiencing decline as a result of state interventionism. They note that Britain is not a part of this Europe largely because of the market reforms adopted during the Thatcher era. Yet, their own statistics show that Britain's economic performance since the 1980s

has hardly been spectacular. Similarly, while they claim that Europe has far higher rates of unemployment than the United States, their own statistics also show that unemployment in several European countries is lower than in the United States. In fact, when these nations are disaggregated, their divergent economic performance undermines the book's central thesis.

Equally problematic is the fact, as an editorial in the *Economist* (April 14, 2007) pointed out, that the United States is itself experiencing economic difficulties symptomatic of its decline in comparison with China, Japan and several European countries. It also notes that the U.S. continues to top the league tables with regard to imprisonment, greenhouse gas emissions, inequality and gun violence. As the editorial reveals, it is possible to present quite different normative images of the same reality and to use different data to bolster arguments. As such, the book is a good example of how comparative scholarship can use imagery for partisan purposes. It is also an entertaining read.

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