data and network elsewhere, lower the costs of switching platforms, and thereby increase competition among the Big Tech and social media companies to attract and retain users. Indeed, competition is thwarted by various forms of market power, and Philippon's final chapter addresses how monopsony impacts wage growth and inequality.

The book is wide-ranging in scope and occasionally tedious in its use of data, but Philippon's presentation of the evidence is both persuasive and disconcerting. The policies, investment decisions, and rent-seeking behaviors that have led to a lack of competition cannot be easily unwound. Furthermore, it matters. According to his estimates, "the lack of competition has deprived American workers of $1.5 trillion of income … [the equivalent of] six full years of growth" (293). Thankfully, Philippon recommends three principles around which public policy could be shaped to improve things going forward (294–96). First, remove impediments to free entry of new firms. Second, acknowledge the need for regulatory trial and error (regulators do not always get it right the first time). Finally, establish policies that protect data privacy, promote transparency, and safeguard data ownership. For at least two decades, the United States has either allowed market competition to wane, or pursued policies that have hindered it. For America to regain its reputation for free markets, it must reverse course by discouraging rent-seeking behavior and embracing competition once again.

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The Price of Bread: Regulating the Market in the Dutch Republic
Jan de Vries
Cambridge: Cambridge University Press, 2019 (515 pages)

In *The Wealth of Nations*, Adam Smith famously criticized governors of the Dutch Republic for not sufficiently taking into account the deleterious effects of excise taxes on necessary goods. Smith reasoned that because taxes on bread and similar basic goods increase the cost of living, they entail higher wages, thereby ruining manufacturers' economic profitability. Smith's ideas on the connections among excises, wages, and the manufacturing industry inspired the Dutch Patriots, a liberal political movement at the end of the eighteenth century, to fight against the institutions of the *ancien régime* and eventually found the Batavian Republic. Subsequent to eliminating the guilds, the Patriots also planned on abolishing excise taxes. However, the 1801 constitution of the Batavian Republic stipulated that taxes were to remain as before, as the finance minister, Isaac Gogel, meanwhile sought not only to maintain but even extend the reach of the bread tax and the milling excise. After all, as Adam Smith had further observed in *The Wealth of Nations*, although such taxes raise the price of subsistence, and consequently the wages of labor, they generate revenue for the government that is not easy to find by other means.

The political economy of excise taxes has occupied generations of economists, and it is a topic that receives a novel treatment in Jan de Vries's *The Price of Bread*. Through a detailed case study of the evolution of the regulation of the bread price (*broodzetting*) and the imposition of a milling excise (*gemaal*) in the early modern Dutch Republic and the nineteenth-century Kingdom of the Netherlands, De Vries adds a tremendous amount of historical data to help understand the subject. He finds that the Dutch economy probably did benefit from a kind of "deregulation dividend" after the bread tax and milling excise were abruptly abolished in 1855—a major historical event considered as a "big bang" for the Dutch economy. Yet, at the same time, de Vries calls into question the excise-wage-manufacturing chain of causal relations put forward by classical economists such as Smith. Noting that high wages in the Western parts of the Netherlands predated the rise of the milling excise, and that the difference in wages between Eastern and Western parts of the Dutch Republic predated differences in regional excises, he refutes the proposition that Dutch wages rose as a result of the rise in excises. Rather, "the excises were raised in the course of the seventeenth century to take advantage of *existing* high wages and the developing preference for wheat bread that they supported" (439).

Indeed, another major insight one gains from reading Jan de Vries's monumental work is that the taxation of bread and milling accounted for 10 percent of state revenues on an annual basis over a total period of 260 years, from the introduction of the "New System" of bread price regulation in the Netherlands in the 1590s until its abolition in 1855. Contrary to what one might expect, the regulation of bread prices and the taxation of milling services did not primarily serve the purpose of improving the fate of poor consumers. Its main purpose was to fill the treasuries of municipal and provincial public authorities, who took advantage of consumers' preferences for certain types of bread, especially wheat bread, to generate continuous streams of stable public revenues. Trying to develop a new, confederal state after breaking away from Spanish rule, the Dutch Republic also decided to depart from older systems of grain or bread price regulation. The older systems sometimes relied on the *annona*-model from ancient Rome, meaning that access to bread was guaranteed by regulating the grain markets and organizing public grain storage. In times of famine, grain was distributed to the masses by the authorities, who legitimated their power in this way. In the later Middle Ages, cities increasingly adopted an alternative system that concentrated on bread prices rather than grain prices. It considered grain prices "as an exogenous fact and focused on determining the proper price of bread for any given grain price" (17).

In the first part of his book, De Vries explains in great detail how the Dutch optimized the regulation of the bread price. The "New System" distinguished between variable costs (e.g., grain), constant costs (e.g., bakers' fees, excise taxes), and fixed costs (e.g., ovens). It relied on constant monitoring of the market by town governments and required mathematical precision in determining the weight of each price factor—in 1663, a book was published by Cornelis Eversdijck, an experienced administrator, containing the "science" of bread price regulation. However, De Vries finds that governments introduced policy-driven distortions to the relative prices of different bread types, for example, by shifting costs from rye production to the price of wheat, which would not have occurred in a competitive market. In other words, the regulatory system "not only reflected the market but also shaped it" (451). As a result, one of the major effects of the abolition of the *broodzetting* in 1855 was that wheat bread became more affordable relative to rye bread and bread substitutes such as boiled buckwheat. The final stage was reached in what Jan de Vries, following Fernand Braudel but also criticizing him, calls the "white bread revolution" (332 and 450), which was completed because consumers spent the money saved due to the abolition of the regulatory system by upgrading their bread diet, preferring to eat wheat bread—perceived as being of superior quality.

This relationship between fiscal regulation and market behavior is at the core of *The Price of Bread*. Another example of the close connection between taxation and the functioning of the economy concerns the effect of the milling excise on the organization of the milling industry. Wind-powered mills of particularly large size became common currency in the Dutch Republic because provincial administrators restricted the number of mills to gain better oversight and reduce the transaction costs for the tax collectors. In 1819, a census of grain mills in every province of the United Kingdom of the Netherlands, which temporarily reunited the Northern and Southern Netherlands, revealed that there was one grain mill per two-thousand population in the north, while there were almost three for the same population in the south, which had not experienced the provincial milling excise tax. In addition, millers in the Dutch Republic were paid for their services but were no longer allowed to make profits by trading flour to bakers themselves, meaning that they were not interested in increasing the productivity of their mills. This created a major problem in the nineteenth century, because millers were not interested in implementing new technologies such as steam-powered mills. As de Vries states, "the millers together with the tax and price regulations of public authorities thwarted the innovators" (431). Only after the "big bang" of 1855 were the obstacles to productivity-enhancing technological innovations removed.

As can be gathered from these examples, the book under review contains a wealth of data that illustrate the "Dutch regulatory-fiscal complex" and its impact on consumer and producer behavior in the early modern period. This will certainly remain a reference work for decades to come, especially for specialists in economic history. Few researchers will have the courage to delve into the dozens of archival records that have been meticulously investigated by Jan de Vries and then translated into statistics, graphs and economic formula. The robustness of this voluminous study will certainly please specialists in the field, but it does not always make for easy reading by nonspecialists with a more general interest in the history of economic thought and the philosophy of political economy. Sometimes, references to more general notions such as the "just price" or the "moral economy" are rather confusing, and certainly not relying on the most recent literature. References to the debates by sixteenth- and seventeenth-century-scholastic theologians on the legitimacy and economic desirability of price-fixing, especially in the case of Spain's *tasa del trigo*, are strangely absent. But these are just minor shortcomings, which do not detract in any way from the impressive, extremely well-documented analysis of the economics of bread price regulation offered by one of the greatest economic historians of our time.

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Reimaging Capitalism in a World on Fire
Rebecca Henderson
New York: Hachette Book Group, 2020 (322 pages)

Rebecca Henderson, the John and Natty McArthur University Professor at the Harvard Business School (HBS), teaches a course in her MBA program titled "Reimaging Capitalism." The second half of the title ("in a World on Fire") of her book is a hyperbolic phrase for prospective readers. In her book, Henderson offers a five-piece plan to "reimagine capitalism" (and ostensibly put out the "fire") that includes first, creating shared value; second, building the purpose-driven organization; third, rewiring finance; fourth, building cooperation; and fifth, rebuilding our institutions and fixing our governments.

In the first piece of her plan, Henderson offers to "rescue" shareholder capitalism from its preoccupation with short-term financial gains (which she attributes to the "Chicago School of Economics"), and replace it with the long-term company orientation of creating "shared value." "In today's world, reimaging capitalism requires embracing the idea that while firms must be profitable if they are to thrive, their purpose must not only be to make money but also to build prosperity and freedom in the context of a livable planet and a healthy society," says Henderson (36). She offers interesting narratives of how business people (CEOs Michiel Leijnse of Unilever and Lee Scott of Walmart) address the impending cataclysm of man-made climate change—and do so profitably, recognizing "low-hanging" fruit (opportunities) for businesses to become responsible stewards of our endangered ecosystem. However, her ultimate solution to our CO_2 problem is summed up in two words: *renewable energy*. According to Henderson, fossil-based fuels will be phased out, creating entrepreneurial opportunities for carbon-free solar and wind to become the primary energy sources powering the expanding global economy.

The second piece of the plan involves building a purpose-driven organization with authentic values. Henderson believes that once "extrinsic" motivators are met—money, status, and power—employees look to the sheer interest and joy of the work itself, both more powerful "intrinsic" motivators. "Shared purpose creates a sense that one's work has *meaning*—one of the core drivers of intrinsic motivation and a driver of higher quality, more creative work," says Henderson (92). Living an authentic life in accordance with one's deepest values is correlated to building "new skills, to bounce back after difficult times, and to be more resistant to challenges or threats" (93). An example of a purpose-driven organization is Aetna, a health care company, whose CEO, Mark Bertolini, announced in 2015 that his firm would be paying its employees a minimum