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BOOK REVIEWS

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The Dismal Science: How Thinking Like an Economist Undermines Community, by Stephen A. Marglin. 2008. Cambridge, Massachusetts: Harvard University Press. 359 + xvi. ISBN 978-0-674-02654-4, \$35.

Stephen Marglin (Walter S. Barker Professor of Economics at Harvard University) undertakes a sustained, self-described “internal” critique of mainstream (i.e., neoclassical) economics. His principal thesis, marked in the subtitle, is that the consensus Lakatosian “hard core” assumptions of this particular approach to economics (henceforth, for brevity, Economics) function to marginalize the significance of community relations for the everyday economy. He argues, further, that Economics offers a prescriptive rather than an empirical account of economies, in contrast with its self-understanding, with the consequence that individual rationality is elevated above community as the hallmark of a socially desirable economic system. The hegemonic influence of Economics and its normative vision, he concludes, has historically shaped how the economic is conceived and performed—functioning to marginalize any collectively organized economic systems as inadequate and deserving of intervention. The logical consequence is that economic development is conceptualized in Economics in the terms of 1950s modernization theory: a series of stages that culminate in the U.S./U.K. style system as the bliss point for economic development.

The *de facto* dominance of this *Weltanschauung* is not difficult to demonstrate empirically. It is evident not only in the policies of the (post) Washington consensus promulgated by such multilateral organizations as the IMF and the WTO, but also in the recent writings of prominent and influential critics of that consensus: Sachs (2005), Stiglitz (2006), and Marglin’s colleague Rodrik (2007). While Marglin’s conclusions align with those of Marxian dependency and world system theories and postcolonial and feminist theorists, the distinctive feature of the book is its internal critique: its unpacking and deconstruction of such assumptions by someone who has grown up with Economics. It is also reflective, written by an experienced scholar in light of career-long sallies beyond (if not, recently, outside) Economics.

There are three reasons why this book should be read by mainstream economists, as well as their heterodox critics. An internal critique has the capacity to resonate in ways that are not available to more heterodox critiques: “Genuine refutation must penetrate the power of the opponent and meet him [sic] on the ground of his strength; the case is not won by attacking him somewhere else and defeating him where he is not” (Adorno, 1982, p. 5). Second, there have been few such critiques aimed specifically at questions of community and development. Third, it is knowledgeably, accessibly, and passionately written; it is accessible to noneconomists, but knowledgeable and detailed enough in its coverage of economic theory to convince the expert that Marglin knows his stuff.

The first three chapters lay out the main elements of the argument: the prescriptive nature of Economics, how community is conceptualized, and the intimate connection of Economics with (European) modernity. The bulk of the book then turns to a systematic critique of four “foundational” assumptions of economics. Marglin distinguishes structural assumptions, which economists themselves recognize and debate (usefully summarized in an appendix), from foundational assumptions, the critique of which is “deeply subversive of the discipline as currently constituted” (p. 56). These assumptions, critiqued in chapters 4–11, are, respectively, “self-interested individualism, rational calculation, the nation state, and unlimited wants” (p. 265).

The final two chapters draw out implications of the rethinking made possible by this critique for questions of development. Chapter 12 stresses how asymmetric dependence forces marginalized peoples and places into making seemingly free choices that have “tragic” consequences. Chapter 13 summarizes the close parallels between colonialism, development, and (market-led) globalization, each reframing difference between north and south in terms of the inadequacy of the latter relative to the former. It also calls for alternatives that build community relations connecting the global south with the global north, to the benefit of the former (highlighting sweatshop activism and fair trade).

Community, the key concept of the book, is significantly undertheorized, with little attempt made to dig into and draw on the relevant sociological, anthropological, and geographical literatures—where in fact the community economy is now receiving considerable attention (e.g., Williams, 2005 and the Community Economies Project, found at <http://www.communityeconomies.org>). Marglin distinguishes community from “association,” on the grounds that “Community . . . is central to who we are” (p. 20). As he acknowledges, to keep community in view is to attend to culture, which he recognizes as an emergent ensemble of norms and practices. Beyond this, there is a somewhat uncritical conception of community/culture. He values the importance of noneconomic norms (religion getting perhaps the most attention), noting that communities produce knowledge distinctly through socialization, and that communities tendentially value tradition and hierarchy. He recognizes that communities (where oppression and patriarchy may rule) can be undesirable, and lays out criteria for altering them. Effectively critiquing Amartya Sen’s principle that individuals should be free to cherry pick those aspects of their community that they prefer for its incipient individualism, he urges mutually critical engagement between community members and outsiders as a precondition for any intervention into community norms. Yet at times he expresses a nostalgia for traditional communities that functions to reify rather than critically engage with them.

He also pays little systematic attention to a theme that should be of particular interest to regional scientists: the spatial organization of community. He implicitly recognizes that communities are often territorial, creating room for place when criticizing Economics for not paying attention to territorial scales between the individual scale and the nation-state scale, but does not discuss the extensive debates in sociology and geography about territorial versus nonterritorial communities. Indeed, his discussions of community get caught up in some contradictions. Thus he wishes, laudably, to move away from economists’ fetishization of the national scale—even though national identity has increasingly become the territorial scale that we take for granted as “central to who we are.” Toward the end of the book he calls, again laudably, for creating connectivities between those residing in the global south and the global north that can create networked interlocal communities, but without reflecting on the difficulty of a definition of community that does not suffice to explain the conditions under which community can be created. Does fair trade result in community or association? How does one become the other? How and why does the distinction matter?

Notwithstanding such shortcomings, reflecting the disciplinary orientation of the argument, and of the author (and his imagined protagonists), this is an important book. Marglin argues that heterodox economies can and should be revalued, also within economics. Economists will find the arguments helpful in stimulating critical reflection on how they can so easily slip into arrogance about the inadequacies of any society other than the free market. Noneconomists and regional scientists of a critical persuasion can

learn how to hone their arguments in ways that economists will have difficulty rejecting out of hand.

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Free Trade Reimagined: The World Division of Labor and the Method of Economics, by Roberto Mangabeira Unger. 2007. Princeton: Princeton University Press. 229 + vii. ISBN 978-0-691-13429-1, \$29.95.

One of the main aspects of globalization, which refers to the process of integrating national economies into the international economy, emphasizes the promotion of free trade. The rationale for this argument, which is motivated by economic theories based on comparative advantage, is that free trade will lead to a more efficient allocation of resources and therefore to gains for all countries involved.

Roberto Unger starts with the premise that this argument about free trade is in fact “fundamentally defective” (p. 2). While providing arguments and examples to support that claim, Unger’s aim, however, is “not to embrace a theory justifying protectionism” (p. 2); on the contrary, he seeks to revise and to rethink some of the main assumptions that inspire the debate between free trade and protectionism, and his book achieves this objective in an admirable way.

The book comprises five main chapters: the first two identify some major issues of the doctrines of free trade and of comparative advantage, respectively; the third sketches some new ideas about trade and the organization of markets that allow, in the fourth chapter, Unger to draw three main theses that aim to change our conception of free trade; finally, the last chapter concludes with some proposals that motivate the reader to reflect on how the world trading system should and could be reformed.

The opening chapter provides an overview of the key ideas, and makes a good job of justifying the questions and issues Unger addresses. Overall, I think the book succeeds in delivering what it promises: a novel and original way of thinking about free trade and globalization. In what follows, I review each of the chapters, concluding with an overall evaluation and what I consider to be the main contributions and omissions.

In the first chapter Unger discusses the problems with the doctrine of free trade, and examines some historical facts that appear to contradict the advantages of free

trade. For instance, history reveals that the relationship between free trade and economic growth has never been systematically positive, and in fact often it was even negative. This instable correlation between trade and growth is one of the factors that lead Unger to conclude that never has a doctrine “enjoyed so much prestige with so little justification in historical experience” (p. 4). Overall, the use of simple examples to demonstrate that the theory of free trade is flawed is helpful for the purposes of the book. However, it would have been suitable to mention some academic research as well, with its more sophisticated empirical results that are likely to dominate conclusions drawn from simple correlations between facts or data.

The second chapter is devoted to the analysis of the core argument that lies at the heart of free trade: the concept of comparative advantage, as originally put forward by David Ricardo. Without denying the influence that comparative advantage has had on economic thinking, Unger’s criticism relates to the *incompleteness* of the concept: to interpret correctly what comparative advantage means, “we have to combine it with much that it fails to say” (p. 5). The concept is shown to be incomplete in several respects, of which two have particularly attracted my attention. Firstly, a standard assumption is that comparative advantage is “given rather than made” (p. 8). That assumption is correct in the case of natural advantage, but ignores the possibility that advantage can also be endogenous and result from the exploitation of scale economies, the accumulation of skills, or government and collective action, among others. Secondly, the *raison d’être* of comparative advantage, and therefore of trade theory and policy, is the segmentation of the world into sovereign states that are separated by national boundaries. Otherwise, without borders, international trade would “lose its identity” (p. 46) and “collapse into market-based exchange” (p. 48). To the extent that trade restrictions result from the existence of sovereign states, then the debate about free trade is in fact about “the existence of such states” (p. 46).

To address the problems inherent to the doctrines of free trade and comparative advantage, Unger offers in the third chapter a number of new ideas about trade, the organization of markets, and the international division of labor. In the fourth chapter, he articulates those ideas into three major theses that aim to change our conception of free trade, and they constitute the main intellectual contribution of the book. The first thesis deals with the effects of increased international competition on domestic producers when trade is opened up. Advocates of free trade argue that all parties involved will benefit. Unger disagrees by arguing that the outcome will instead depend on the *relative* development levels of the different partners: the benefits of free trade will be strongest when the countries are either at very different levels or at similar levels of development and productivity, and there is a need for protectionist measures when the two partners are at unequal, but not very unequal, levels of development (a situation characterized as one of *relative advantage*).

This is obviously a main objection to the traditional doctrine of free trade, which ignores the role of relative development between countries. Unger acknowledges that the concept of relative advantage, as defined in the book, suffers from a number of conceptual issues, but it nevertheless remains a useful tool to rethink the desirability of free trade. In my view, this line of reasoning is crucial as it suggests that policymakers should not conceive “one-fits-all” trade policies for all countries around the world.

The second thesis tells us that relative advantage is, however, only a necessary and not a sufficient condition for trade restrictions to be justified. In particular, it argues that trade restrictions will only be desirable to the extent that states are also democratic, because only a democratic system will be able to moderate the “twin evils of favoritism

and dogmatism" (p. 164) that affect many governments. Overall, Unger's main message is that the debate about free trade cannot be resolved independently from politics.

The third thesis directly addresses the conceptual meaning of free trade. Free trade should not only be associated with the degree of trade openness that characterizes each country; it should also be thought in terms of whether "the rules of the trading regime encourage or inhibit the self-transformation of the trading partners" (p. 151). A good trade regime should give its participants the opportunity to change, organize, and "revise" themselves, and to do so at any level of openness. In other words, what matters "is not how much free trade but what kind of free trade" (p. 87).

In addition to these three theses, another line of reasoning in the book deserves to be mentioned. Recall that the pin-factory model by Adam Smith shapes the division of labor into a "rigid specialization of tasks" (p. 95) that enhances efficiency in production by using repetition to save time. Unger challenges this conception of the division of labor by arguing that nowadays, "the point is no longer to save time by repeating ourselves; it is to save time by avoiding repetition" (p. 97); the tasks that require repetition should therefore be left to machines, allowing workers to specialize in the other tasks that do not require repetition and thus are the ones that will lead to innovation. This point of view is so accurate that it comes to a surprise that it still remains largely overlooked in the literature and in the debate on free trade.

Unger's last chapter deals with the implications of his analysis for the reform of the world trading system. He criticizes the principles on which the current system is based, and offers some new "organizing ideas" (p. 167) to modify our conception of free trade. Firstly, we should accept that free trade "is a means, not an end" (p. 168), and we should therefore reject the maximization of free trade at any price. Secondly, "the rules of global trade should minimize requirements of institutional conformity" (p. 186) instead of imposing the same rigid constraints and commitments on all the participants. Thirdly, we should recognize that "the movement of people and ideas is vastly more useful than the movement of things" as it has "the potential to make a contribution to economic growth as well as to economic or technical innovation" (p. 209). Last but not least, we should ensure that workers are protected by the world trading system from any form of slavery or forced labor.

Overall, the book is an exceptional contribution, providing an original and innovative perspective to the rethinking of globalization and free trade. The simplicity of the approach chosen for the analysis, which discusses technical issues in plain language, the diversity, and the breadth of new ideas so clearly exposed, are undoubtedly the book's primary strength. Regarding the possible omissions and limitations, one aspect that is not mentioned relates to the "new trade theories" that focus on imperfect competition and increasing returns to scale, which also have implications for free trade but independently from comparative advantage.

To sum up, I think the main audience for Unger's book will be academic researchers, students, or policymakers in search of new ideas about the concept of free trade, or anyone interested in the subject of globalization and international trade from a unique perspective.

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Urban Complexity and Spatial Strategies: Towards a Relational Planning for Our Times, by Patsy Healey. 2007. Series: RTPI [Royal Town Planning Institute] Library Series. New York: Routledge. 328 + xiv. ISBN 0-415-38034-0, cloth, \$131.25; ISBN 0-415-38035-9, paper, \$47.25.

Patsy Healey argues we can grasp the complex urban changes that accompany purposeful planning efforts by taking hold of geographic relationships instead of areas. We need reach past the rational preconceptions that hobbled previous rational efforts to impose hierarchical order using bureaucratic regulation and civic investment. The familiar nested hierarchy of region, city, and town remain, but only as occasional players among the webs of interdependent relationships that compose the urban metropolis. Healey argues that we need focus on governance relations and spatial strategy making if we want to grasp complex metropolitan change.

She focuses on complex governance relations, asking how collective efforts to prepare for change reflect spatial strategies—imagined conceptions of future urban relations and outcomes prepared to inspire popular political uptake. She envisions planning and plan making projects as a kind of “governance activity” that attends to layers of spatial interaction that include social, economic, and political relations as well as physical ones.

In her account, planning forms part of an encompassing governance system. From this viewpoint Healey can grab hold of many different types of planning traditions in different regions, nations, and places without translating the varieties of meaning that planning in each case might hold. She does believe that the urban scale offers the proper context for judging the meaning of complex interactions between layers of sector activity and the organization of place, even as she remains skeptical of any particular version of regionalism. The research she reports in the book centers on drawing comparisons between three cases of regional planning at the urban scale, in three European city regions. She wants to understand the political relationships that shape the design and capacity of strategic spatial governance.

Healey reviews how other analysts ascribe order to regional complexity, borrowing ideas from many but finding each too limiting. Using interpretive policy analysts she emphasizes that differences in ideology, bureaucracy, and expertise shaped the policy-driven regionalism that gained popularity since the early 1990s in European metropolitan settings. She terms these urban governance landscapes. She embraces a relational geography that seeks coherence among cell phone users, immigrants, commuters, investors, lenders, tourists, consumers, and all those groups of people organized more by network than proximity. She dislikes the notion of a comprehensively integrated urban region—a container tied to ideas about proximate overlap of function and meaning like labor markets and commuter sheds.

Healey elaborates a vocabulary that she hopes will encompass and interpret complex changes in urban regions—especially those changes susceptible to purposeful and useful modification and those that resist. The governance landscape includes allocation, authorization, and interpretation at three levels: episode, process, and culture. These are distinctions borrowed from social theorist Anthony Giddens. Against the economic focus of urban regime and regulation theory she proposes a more abstract functional account that stretches the boundaries between structural and interpretive analysis. A specific urban policy *episode* involves conflicting or complementary strategic actors using institutional resources. *Processes* describe the relationships among actors that reflect discourse, conventional practices, and intersecting social and political networks.

Cultures refer to those crosscutting beliefs that inform and justify confidence in specific modes of governance.

When describing purposeful planning Healey rejects plan making and plans as too formal, inflexible, static, and misleadingly proximate. She uses the concept of strategy to capture the more informal, flexible, and dynamic assessment of relations susceptible to change within politically sensitive frames of purposeful action. She envisions planning as a product of a more inclusive strategic mode of thought that informs both planning and policy. Strategy does not refer to a guide set by the field commander, but to savvy decision making by clusters of stakeholders negotiating provisional collective agreements about problems of vulnerable interdependence, common special interests, or other contextual situations demanding collective action.

Healey constructs three case studies of strategic spatial planning, focusing on changes in forms of governance over the second half of the twentieth century and using ideas from interpretive policy analysis and relational geography to guide her interpretation of spatial strategies in Amsterdam, Milan, and Cambridge (United Kingdom). She analyzes evidence of spatial change for each region, describing how episodes of purposeful deliberation mattered or not among the competing stakeholders inhabiting the relational webs.

She captures and describes a wealth of detailed planning information for each of the three places. She focuses mainly on changes in collective decision making tied to shifting sources of political influence and power. Ideas about the future matter mainly in so far as they obtain legitimacy and popularity from political and social relevance. In each case difference in spatial strategy making provides the most telling response to the increasing complexity of urban development pressures—especially as these lead to changes in institutional relationships.

Healey's cases do not work well as comparative narratives. Why? She wants to demonstrate the coherence of an inclusive functional argument that analyzes regional stakeholder judgments about governance, place, meaning, and strategy. She uses these conceptual distinctions to provide criteria for organizing the case accounts. Narrative does not lend itself to cross-cutting functional classification in this way. When we tell stories we create a series of actors and actions whose fate unfolds over time in a sequence sensitive to context, action, and decision. As we compare stories, details of character, plot, and action matter as we compare different responses to some common crisis, issue, or theme. Healey does not tell us what specific issues or themes guide her comparison—what reading and comparing these stories will tell us about the responses actors make to some important issue or event. She wants to demonstrate the efficacy of using her vocabulary to recast the complex events of urban development for each place. Did the Amsterdam strategists prove more clever or effective than those in Milan or Cambridge? We cannot tell.

Unfortunately, Healey's approach invites long stretches of chronological description as substitute for good storytelling. Instead of writing to show how historical details contribute to decisions, actions, and effects tied to a vivid narrative argument, Healey delivers large chunks of text that the reader need decipher as evidence for a claim about governance, strategy making, or some change in practice. She draws conditional and provisional conclusions about the forces shaping urban strategies, in hopes of avoiding doctrinaire simplification, but the cumulative effect exhausts the reader. We take little offense at the arguments, but largely because their diffuse and inclusive scale challenge meaningful comprehension.

The last four chapters use examples from the case materials to illustrate the value and meaning of Healey's conceptions of spatial strategy making at the regional scale. As we adopt a more inclusive strategic sensibility, a relational spatial imagination, and a more generous embrace of cultural claims to knowledge, we will develop a more coherent framework for conceiving and guiding complex regional change. I share Healey's sentiment, but not her vocabulary.

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The Cost of Land Use Decisions: Applying Transaction Cost Economics to Planning & Development, by Edwin Buitelaar. 2007. Series: Real Estate Issues. Malden, Massachusetts and Oxford: Blackwell. 196 + viii. ISBN 1-4051-5123-8, \$105 (paper).

In demonstrating the tendency of markets toward efficient equilibria, neoclassical economics typically imagines a world without transaction costs. That which is assumed away by the mainstream has become the cornerstone of "transaction cost economics," a subfield that frames Edwin Buitelaar's *The Cost of Land Use Decisions*. The school of thought owes much to Ronald Coase's classic article (Coase, 1937), which asks a deceptively simple question: why do firms exist? In a marketplace whose hallmark is the voluntary transaction, firms are islands of hierarchical ordering: when bosses issue instructions to their workers, they hardly expect the workers to consider whether the directives are Pareto-efficient win-win moves. Within this framework, islands of hierarchy—and even bureaucracy—exist to reduce the transaction costs that would arise if all action were decentralized, atomistic, and pursued on the basis of short-term self-interest. One can analyze government and planning in the same light, showed Ernest Alexander in "A Transaction Cost Theory of Planning" (1992). Within this framework, the relevant distinction is not the standard "planning versus the market" dichotomy, but between atomistic action by individuals on the one hand and planned, coordinated, and hierarchical action on the other—whether undertaken by private firms, governments, or other organizations.

The idea that organizations exist to reduce transaction costs has important corollaries, one positive and one normative. The positive implication is the hypothesis that, through exposure to the feedback of the political and financial marketplaces, organizations evolve toward transaction-cost minimization over time. The normative implication is that organizations can be judged by their success in reducing transaction costs, which is after all their *raison d'être*. Buitelaar presents a theoretical and empirical investigation into both the positive and the normative side of the transaction costs of planning institutions, based on detailed case studies of housing development projects in Nijmegen, Holland; Bristol, United Kingdom; and Houston, United States. He does not draw explicit conclusions on either the positive or normative theory, though the preponderance of evidence he brings appears to deny any uniform tendency toward transaction-cost minimization over time.

This leaves the normative question: can we judge different planning regimes on the basis of the magnitude of their transaction costs? For example, is a planning regime

that delivers a housing project of a hundred units in eight years inferior per se to one that delivers a comparable project in only two? Buitelaar entertains this notion and seems to gravitate toward the low-transaction-cost regimes while acknowledging that planning outcomes—not just transaction costs—must be incorporated into a comprehensive assessment of planning institutions. He focuses on the cost side of the equation, and his three-country investigation is enlightening on the dimensions of the costs of various user rights regimes. For example, Houston and Nijmegen shared an important dimension that distinguished them from Bristol: both the U.S. and the Dutch cases generated quite unambiguous development rights. Developers who met the regulations in Houston and Nijmegen could develop by right, an attribute that lowered transaction costs by enhancing developer certainty. Developers faced a vastly different set of regulations in the two cities: Houston was characterized by a minimal set of safety and environmental standards, while the Nijmegen developer faced an extensive set of planning requirements. Yet both sites made the rules of the game crystal clear to developers, and that distinguished both of them from the U.K. case, where the municipality reserved the right to impose conditions at its discretion throughout much of the process. The capacity of the planning system to surprise developers surely raises transaction costs, even as it empowers constituents of the relevant municipality. Buitelaar seems to think that this is a weakness of the U.K. system, though he is restrained in the policy implications that he draws from his case studies.

His deference undoubtedly emanates from an understanding of the vastly different traditions from which each planning system springs. For example, notwithstanding its reputation for intervention into the private market, the Dutch planning system grants absolute ownership to the private landholder. This institution is rooted in the civil law traditions of continental Europe, which embed the landholder's absolute ownership in a system that allows for governmental intervention into landowner's rights for the benefit of the public. The framework, which harks back to the Roman law of *dominium* and *imperium*, produces in modern times the planning outcome described above: a demanding set of planning requirements, paired with the unambiguous rights for developers who meet the standards.

By contrast, the feudal origins of English land law—reaching back to the Norman conquest of 1066—were blurred but hardly erased by the 1925 Land and Property Act. Within this English framework, property rights are much more conditional and multilayered. As a consequence, planning is closely linked to the resolution of private property disputes, and development rights are offered more provisionally and subject to the continuing assent of the municipalities and the landowners they represent. In linking current planning outcomes to these longstanding traditions, Buitelaar offers a nuanced understanding of both the differences in transaction costs and the forces that produced the various regimes.

Fans of activist planning regimes will be disappointed by the lack of accounting for the benefit side of the ledger. While acknowledging that different regimes produce different physical outcomes, Buitelaar does not attempt systematically to assess what the residents of Nijmegen received in exchange for their pricey (in transaction-cost terms) user-rights regime relative to Houston's bargain-basement variant. To illustrate: building in some developing countries requires no permits at all, even for upscale construction. The transaction costs of the regimes, at least in the terms that the book focuses on, have been effectively minimized: one need only to acquire the land and start building. The chaotic cities that arise from such low-transaction-cost regimes exact from their residents huge costs in other areas including environmental, social, and economic

harms; notwithstanding their success at minimizing transaction costs of the sort Buitelaar measures, the regimes seemingly entail high costs in total. A reasonable goal for a planning regime might thus be to reduce transaction costs for a given planning outcome; surely it is not to reduce transactions costs per se.

While acknowledging that planning outcomes matter, Buitelaar develops his case studies as if the costs of a regime are meaningful in and of themselves, arguing for example that the Netherlands' "seemingly costly integrated-comprehensive approach [may produce] a higher quality, and hence a different output. But it must be said that this is difficult to prove, since not only beauty, but also quality, is in the eye of the beholder" (p. 175). If differences in planning outcomes are reduced to a matter of idiosyncratic tastes, then the only dimension left for analytic comparison is the regime's price tag, which is unsatisfactory as a sole basis for judging the regimes' effectiveness.

One also wishes for a clearer explanation of what the case studies themselves represent relative to the transaction-cost theory presented. For example, Houston is unique among large American cities for its lack of zoning. In this sense, the Nijmegen and Bristol cases may be interpreted as fairly representative of their respective countries, while Houston is surely an exceptional case in the United States. The difference leads to some tortured language as Buitelaar writes that "[t]he position of each case in the matrix is to some extent representative for its *country*. There seems to be a greater quest for control over spatial development in the Netherlands than in England and *Houston*" (p. 147, emphasis mine). The book is particularly ambiguous about the meaning of the Houston case. Basing his argument on Siegan (1972), Buitelaar explains that "the main effort of the [Houston] planning department is directed toward the enforcement of countless number of privately drafted restrictive covenants" (p. 112). Four pages later the reader learns that "[i]n practice, the city has been reluctant to use its enforcement powers; the homeowners associations have remained the primary enforcers" (p. 116). The unexplained discrepancy might be resolved though a distinction between proactive municipal enforcement of deed restrictions and reactive enforcement in response to citizen or homeowner-association complaints. Under either variant municipal enforcement is central to the Houston regime, rendering it more interventionist than the book seems to acknowledge.

Notwithstanding these reservations, readers of the book will benefit from its enlightening cross-national analysis. *The Cost of Land Use Decisions* succeeds in tracing the roots and current expression of three distinct planning regimes, with the lens of transaction costs bringing their similarities and differences into clearer focus.

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The Warhol Economy: How Fashion, Art, and Music Drive New York City, by Elizabeth Currid. 2007. Princeton: Princeton University Press. 258 + xvi. ISBN 978-0-691-12837-5, cloth; \$39.50; ISBN 978-0-691-13874-9, paper, \$17.95.

During the past decade, social scientists and policymakers alike have increasingly directed attention toward the dynamics of the creative economy as an object of study as well as a driving force of economic development and urban growth. Often such accounts have focused on a specific sector of the creative industries like advertising, media, fashion, music, or film, and they have attended to the need for spatial proximity due to shared labor markets and enhanced product and knowledge exchange, collaboration, and innovation fostered by face-to-face contacts.

It is within that context of (a) the role of creative industries as a vibrant and growing part of the overall New York City economy and (b) the internal industry dynamics that allow creative entrepreneurs to succeed that Elizabeth Currid offers a fresh and unique contribution to the understanding of urban economics in general and the creative economy in particular. Most importantly, her qualitative methodology of expert interviews across sector and career status boundaries reveals a set of industry characteristics that have often been overlooked or underestimated as intrinsic elements to the sustainability and growth of the creative industries. Her findings of creative fluidity—the engagement of individual creative entrepreneurs with different forms of creative expression as well as the mutual collaboration and inspiration of creative entrepreneurs across sector boundaries—show that the internal dynamics of the creative economy are best understood with a holistic approach. Moreover, her analysis of and argument for the importance of social dynamics and the role of “gatekeepers” and “tastemakers” not only greatly advances the conceptualization of the creative economy but also introduces a new dimension of agglomeration benefits.

Vividly written and flavored with citations from creative entrepreneurs and with personal stories, the book is a pleasure to read for social scientists, policymakers, and creative workers as well as a general public interested in culture and creativity. After a preamble to the main themes (chapter 1), Currid introduces the reader to specific historical events and personalities that brought about New York City’s rise to an international center of arts and culture (chapter 2). In chapter 3 she focuses on the city’s economy and presents quantitative data that compare art and culture and media with other knowledge-based and high-skilled sectors, and concludes that “art, culture, and media are what truly make New York City unique and distinct within the global economy” (p. 64).

Following are three chapters that present the heart of Currid’s arguments before she provides, in chapter 7, recommendations to policymakers on how best to foster and support the observed internal mechanisms of the creative economy. In “The Social Life of Creativity” (chapter 4) she traces the networks of exchange and collaboration between creative entrepreneurs and reasons that they are heavily dependent on weak ties established and reinforced within the social sphere of the creative economy and most prominently during events and entertainment and nightlife activities. In chapter 5 she shows that the venues of such activities—restaurants, bars, galleries, clubs—are nodes of exchange and a system of interaction that is an institution of the creative economy on

which each member's survival depends. Moreover, such venues and activities not only provide contacts to peers but also to gatekeepers and tastemakers, and thus critical access to the commodification of one's creative activities (chapter 6).

Finally, Currid detects that this system of commodification is heavily dependent on creating buzz around products as well as producers, and her policy recommendations (chapter 7) reflect such observations. One recommendation is that government increase support to educational institutions to train creative people but also to send "a broader global signal of its support for its cultural community, which is an effective lure in drawing more creative human capital" (p. 172). Another is to increase support to the venues and events where "creativity happens," that is, night- and music clubs or festivals. "Economic development policy should address and capitalize on these [social] relationships, not hinder them" (p. 177). Moreover, her recommendation for affordable artist housing is "placing these work-live spaces in economically depressed areas [which helps] revitalizing of these neighborhoods while also providing inexpensive spaces for cultural production" (pp. 179–180). Currid calls for an urban policy that places creative entrepreneurs not only at the forefront of economic development but also uses the creative economy as a tool for place-making and urban growth. The book describes thoroughly how "contemporary cultural industries and workers interact with one another" (p. 16) and finds an answer to the question of "how New York City makes creativity and . . . how creativity makes New York City" (p. 14) in the commodification of culture and place.

The Warhol Economy, like its namesake, puts most emphasis on the economics of attention, where the social scene of creative producers is more important than the actual meaning of the creative products. *The Warhol Economy* is not driven by creative production but by an economy of fame and attention and the buzz of cultural commodification. In addition, the interview citations and stories that Currid presents point to a playful system of meet and greet where access to the "right" people is gained by being in the "right" place. However, they are contradicted with Currid's personal stories about bouncers, guest lists, and back entrances that bring to light a rather exclusive than open social system. A critical engagement with this economic system that emphasizes trade over production, as well as with the limitations of social networks, would have benefited the analysis of the current dynamics of creative industries.

Moreover, the policy recommendations read like advice to extend urban entrepreneurialism, not only toward regulating the creative economy and its geographical dynamics as means to better position cities within the global economy and the competition for the highly skilled, but also as means to capitalize the social relationships, thus allowing policymakers to act as gatekeepers and tastemakers and to commodify the need of creative entrepreneurs for affordable space, that is, gentrification. Currid does not critically attend to industry, place, and policy relationships but calls for a festivalization and capitalization of creativity to foster urban growth and a buzz, and for creativity place-branding to keep New York City ahead in a system of global urban competition.

Above all, *The Warhol Economy* adds important elements—the social dynamics and role of gatekeepers—to an understanding of the agglomeration and growth dynamics of the New York City creative economy, but it leaves the reader without a critical assessment of their implications and meanings. Currid's research is momentous as an observation and description of the mechanisms that drive the New York City creative economy, and it may provide ground for urban scholars to think more extensively about the hierarchical and attention-driven nature of the creative economy and how

such features in combination with an urban growth policy influence urban and social environments.

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The Country in the City: The Greening of the San Francisco Bay Area, by Richard A. Walker. 2007. Series: Weyerhaeuser Environmental Books. Seattle: University of Washington Press. 379 + xxv. ISBN 0-295-98701-4, \$35.

Three cheers for Richard Walker's *The Country in the City*, as one of the first efforts to bring together a community-scale history of environmental activism and politics. Series editor William Cronon aligns this effort with the "think globally, act locally" edict of 1970s environmentalism; Walker's book attempts to weave together a wide array of conservation efforts into a single historic fabric of coevolving country and city. His focus is the protection of natural areas and environmental quality within the metropolitan San Francisco Bay Area, following Raymond Williams and Cronon himself in avoiding the all-too-common separation of nonhuman nature from places of human dwelling and labor.

The book is, in many ways, a celebration of the Bay Area and its uniquely conservation-minded history. Walker grounds the narrative in his own experiences growing up on the San Francisco Peninsula and later teaching at University of California at Berkeley on the east side of the Bay, and he describes a tradition of a "green political culture" developing with its own particular networks and institutional fabric. "It is a place where green enthusiasms, like open space, are built into the fabric of urban life. It is a city whose identity is wrapped up in the local environment and its protection" (p. 14).

The Country in the City is almost encyclopedic in its level of detail, which makes for a fantastic reference volume, although it sometimes is awkward to read; segments of some chapters essentially catalog names, places, organizations, and events that contribute to the Bay Area's complex story. There is a wealth of information here, particularly pinpointing some of the specific individuals who spearheaded various activist campaigns to improve the area's environment. Walker also highlights the primary roles that women play in many of the fights to protect the greensward, despite their having been largely invisible to many previous environmental histories.

Yet the book functions more as a starting place for research, rather than the final word; with so much ground to cover, Walker does not have the space to get below the surface of many of the protection efforts. For instance, he identifies Caroline Livermore as one of the central figures in mid-century conservation efforts—one of the founders of the Marin Conservation League in the 1930s, she is credited with saving Angel Island from becoming saddled with a trans-bay bridge, and turning back a proposed housing development from filling Richardson Bay, among other achievements—yet we do not learn where her drive came from, what sparked her passion and commitment to recreation and open space protection. By skipping over these kinds of contextual details, Walker creates what I think is a false sense of a single green tradition in the Bay Area, rather than a series of efforts, which may have overlapping motivations and underlying goals but are distinct and sometimes contradictory campaigns for protection.

More problematic is the unresolved relationship between preservation and gentrification, and the particular role of the elite in land conservation and environmental protection. Ever the Marxist geographer, Walker describes the upper classes as “prodigious consumers of space and nature,” with large properties and a large “sense of command of the landscape,” and he is careful to note the connection between aesthetics and economic value, hence their logical support of open space protections “to try to create great swaths of desirable space near to where they live”—which is just another form of consumption of the landscape (p. 11). Yet he also sees a contradiction to this trend in the greens’ traditions of going up against the bulldozers, i.e., fighting against profiting from development, positioning their efforts in the broader notion of public interest and public space, and public use of those spaces.

Yet I remain unconvinced that his contradiction is as strong as it seems on the surface. Reading through the book, one sees a repeating trend of wealthy elites profiting from an economy that takes no notice of environmental health or quality, then turning to fight to save land threatened by the cities that their own wealth has created. The Bay Area’s upper class suburbs in Marin, San Mateo, and northern Santa Clara counties have all benefited from early efforts to cut off development before it could impede the aesthetic qualities of their surroundings, raising their own land values and making it harder for others to buy in. Walker seems to forgive this by noting their public-spiritedness and hard work: “At a minimum, their existence reveals a contradiction between the consumption and production interests of the upper classes. But they have shown much more than that; they have thrown many a monkey wrench into the works of land development and promoted a generous zeal in saving public spaces from the absolute rule of profit” (p. 109).

In some cases, like William Kent in the creation of Muir Woods in 1908, the wealthy donate some of their own lands to the cause; but more often the greenbelt lands are acquired from others, usually agriculturalists who are not in the same income bracket as the environmental activists, and Walker’s account does not contain many of their stories. Labor in the land becomes defined as incompatible with its protection, and recreation use by the public masses justifies the elites’ restrictions on land use; as long as everyone is invited to play, accessibility somehow pardons the elitism inherent in land protection. Over and over again, the wealthy seem able to redefine their own interests as the public’s interest, and volunteer others’ land for protection so as to buffer their own holdings.

In fact, Walker criticizes some of the open space protections since the 1980s, with their trends toward “setting aside wildlife habitat and conserving working landscapes, especially ranchlands, rather than recreational and public-access space” (p. 160). He sees this as troubling, especially as it “favors habitat and scenery over recreation, often with an unfavorable class bias in accessibility” (ibid.). It is not clear to me why public access should be the only measure of open spaces’ public value, rather than their contributions to ecological or agricultural sustainability, and I find it troubling that Walker does not question the implications of who protected lands are actually acquired from.

There is an additional distinct contrast between the two last chapters, focused on pollution cleanup efforts in Richmond and concerns for environmental justice in inner cities, and the rest of the book. Walker attempts to draw connections between this far more gritty, urban environmentalism and the elite-driven land protection greens of Marin and San Mateo, but I am not sure he succeeds. Still, by simply bringing together and identifying the variety of efforts and challenges undertaken to protect the Bay

Area's environment, his book lays the essential groundwork for future research and refinement.

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Understanding The Firm: Spatial and Organizational Dimensions, edited by Michael Taylor and Päivi Oinas. 2006. Oxford and New York: Oxford University Press. 279 + viii. ISBN 0-19-926079-6, £45, \$85.

The book is a collection of essays on the nature, logic, concept, and behavior of the firm, as understood by economic geographers. In mainstream neoclassical economics the nature of the firm is clearly defined in a parsimonious sense, in that both the nature of the firm and its behavior are defined with respect to the market structure. Much of regional science and urban economics has adopted this orthodox framework as its analytical departure point, to derive static or dynamic market equilibrium conditions. On the other hand, however, economic geography over the last two decades has increasingly moved away from such an approach, preferring instead to characterize the firm primarily in terms of its social relations with its environment. In terms of regional analysis, economic geographers emphasize the relationship between the firm and its local region to analyze the firm's characteristics, its behavior, and its performance. Many of the themes taken up by economic geographers are borrowed or adapted from other literatures such as strategic management and international business, and then developed within a spatial setting. These developments and adaptations are the topic of the book.

The book comprises six sections. As a totality, it provides an excellent analysis of how many economic geographers understand the firm and its relations, and poses challenging questions for orthodox economists working on regional science topics. The first and last sections both provide excellent overviews and reviews of the issues, linking the various arguments to transactions costs theories and the resource-based literatures. In addition, they also provide a realistic assessment of the current limitations of those approaches. The intervening sections each deal with different aspects of the nature of the firm. The second one, comprising two chapters, one by Päivi Oinas and one by Michael Taylor and John Bryson, is on the nature of firms' boundaries. However, rather than seeing firm boundaries as being largely permeable and fuzzy, as do some economic geographers, the authors argue that legal contracts and defined ownership structures actually allow for flexibility, specialization, configuration, and reconfiguration. In part 3, Michael Taylor and Phillip O'Neill in their chapters focus on firm power relations and narratives. In part 4, Ann Markusen and Ray Hudson analyze financial and political aspects of the firm, and in part 5 Mia Gray and Bjørn Asheim analyze the relationships between firm strategy, social capital, location, and performance.

The issues raised in the book pick up on several themes that are central to many future debates in regional analysis. Since the late 1980s and early 1990s, and under the influence of Allen Scott, Michael Porter, and Paul Krugman, the analysis of regional economic issues has taken on a much more diverse range of theoretical approaches and issues, and finding common ground between these different approaches remains a crucial challenge for regional science. I may be wrong, but my guess is that certain critical reviews of new economic geography (Martin, 1999; Martin and Sunley, 1996),

although instructive in themselves, have probably had the unintended and undesired effect on economic geographers of actively reducing their search for common ground between economics and geography. If so, this would have been unfortunate for regional analysis as a whole. Bridging the gap between economists and economic geographers is essential for a sophisticated regional analysis, and this requires not only careful consideration of methodology, definition, and analytical approaches (Markusen, 1996; McCann, 2007), but also the willingness to put stylized constructs to rigorous empirical evaluation. This is just as true for economic geography constructs as it is for economic constructs.

In the light of these comments, my overall assessment of the book is that for a regional scientist it is both instructive and challenging. It forces regional and urban economists to consider issues not normally discussed with the orthodox framework. At the same time, the book is refreshingly frank in terms of the limitations of the current state of the art in economics but also open in terms of offering potential directions for future consideration, such as the business history approach of Taylor and Bryson, or the institutions and contracts approach employed by several contributors. If something is missing in the book, I suggest that it is the issue of technology, and that is an issue, one hopes, on which economists and economic geographers will find and develop common ground over coming decades. Of particular promise here is the growing research program on evolutionary economic geography (Frenken, 2007), which may provide bridges to the new growth and new economic geography schema. Having said all of this, almost certainly I myself will be referring to this book in future.

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Chutes and Ladders: Navigating the Low-Wage Labor Market, by Katherine S. Newman. 2006. Harvard University Press, for the Russell Sage Foundation. 432. ISBN 978-0-674-02336-9, cloth, \$35; ISBN 978-0-674-02753-4, paper, \$19.95.

The distance between workers at the left end and the right end of the U.S. wage distribution is large by any standard and has been growing for decades. The

trend persisted through the late 1990s, even though the economy was enjoying a period of general prosperity. As low-wage workers strived for the better paying jobs during the boom, the mismatch of their skills with employer demands rendered upward mobility difficult. Typically, analysis of low-wage labor markets relies on large databases such as the Survey of Income and Program Participation (SIPP) and the Current Population Survey (CPS). The bleak picture painted by the CPS, SIPP, and other data does not reveal the individual stories of workers who managed to move up in the wage distribution even as the vast majority of their socioeconomic peers did not.

It is here where Katherine Newman's account of the experiences of a sample of low-wage workers in Harlem makes its contribution. Ethnographic research can reveal the complex factors at play for the people who are the individual observations in large databases, and Newman does that successfully. While policymakers search for options to narrow the large wage gap, the meaningful outliers in Newman's book—the "high flyers"—are defying the discouraging statistics. Taking into consideration the plight of all the individuals in her sample, readers gain more understanding of the issues at hand as the United States moves forward in clearing the way for workers who are poised to move up the economic ladder while also assisting those who face obstacles. Newman seamlessly intertwines the stories of a sample of individuals that she interviewed periodically from 1993 to 2002 with broader trends observed by her and others. It is the individual stories, particularly those of Jamal, Kyesha, and Carmen, that are never out of the readers' thoughts as each chapter in turn captures some aspect of navigating the low-wage labor market.

After introducing Jamal, Kyesha, and Carmen in the first chapter, Newman carefully analyzes the economic landscape of Harlem in the 1990s in chapter 2, coauthored with Chauncy Lennon. Newman and Lennon explore socioeconomic factors that potentially contribute to inequality and poverty and compare them to national trends. We learn that over 20 percent of the persons she followed from 1993 to 2002 managed to reach a position that was stable economically and could be considered middle-class, and we learn in chapter 5 that that attainment is a bit higher than in the national numbers. While the perspective in chapter 2 often shifts between personal accounts and statistics, Newman is adept at discussing both. One difficulty a reader might have, however, is making sense of the myriad of issues introduced, which often leaves one flipping to the endnotes in an attempt to find references to a literature that might tell us more. For example, the economic literatures on the efficacy of job-training programs and on job churning are brought up to give us context, but the lack of detail dictated by the book's broader goals limits the value of such descriptions. When this chapter and the book as a whole truly succeed is when we are focused on what has accounted for the individual success stories.

In chapter 3, Newman builds on the more technical material in chapter 2, as she defines several categories of workers from her sample—the high flyers, the up-but-not-outs, and the low riders. We are introduced to additional people in the Harlem sample, and each has a tale that is enlightening. We learn that the high flyers typically managed their ascent by one of three routes. Jamal found out the secret to a firm's internal market. Lauren invested in human capital and figured out how to make it work for her. Rey and others discovered the benefits of a union job. For each success story, there are others who could not make these three routes work for them. We learn from them as well but perhaps are left with a frustrating feeling that luck sometimes matters a bit too much for those starting out at a low-paying job.

We found that chapter 4, “All in the Family,” provided the book’s most important insight. Without exception, familial relationships sometimes help and sometimes impede progress for the people in Newman’s sample. The complexities of familial relationships can never be captured in large databases. Quantitative research often calls them omitted variables, but they take central importance in Newman’s study. Balancing the contacts that extended family can provide with the strain of commitments to them—that turns out to be critical for the working poor. As the book continues into its later chapters, the theme is ever present. It seems that family, starting with relationships with parents and continuing on to finding a stable partner and getting support in raising children, is far more variable and therefore far more important for those at the low end of the wage distribution than for other workers. It affects the ability to learn from family and others in the community (chapter 6), as well as views on the use of the welfare system (chapter 7) and the probability of being successful in a world that might undervalue your skills (chapters 8).

After comparing the Harlem trends with national trends observed in the SIPP in chapter 5 (coauthored with Helen Connolly and Peter Gottschalk) and an appendix, Newman delves into a series of chapters on some unique issues faced by her workers. Chapter 6, coauthored with Victor Tan Chen, raises a few important points, such as the fact that learning the rules of the game as they pertain to relating to employers can help with promotion and garnering valuable experience that aids upward mobility. Those rules are harder to learn if members of the community who are successful leave or are reluctant to share their expertise. The chapter, however, is a bit muddled on the importance of education. It illustrates how important education is to some in the sample, yet it shows its questionable benefit to others. It ends up reading more as if education’s worth depends on other factors, but education and access to it are likely more important than that. This muddle is nicely rectified in a compelling argument in chapter 9 for better access to education on all levels.

In chapter 7, we learn a lot about the workers’ attitudes toward welfare. What is interesting is that both liberal and conservative thinkers and policymakers may be missing a key point—a stable job is viewed as preferable to dependence on welfare for low-wage workers, even if welfare benefits might provide more financial support. In some sense, welfare programs might be underutilized. This is a point that Newman does not dwell on, but it is an issue that is consistent with her message. Medicaid take-up is lower than it should be, as is filing for the earned income tax credit (EITC).

Newman next moves on to describe the views that persons in her sample have on various barriers to upward mobility, including discrimination. Chapter 8 illustrates that workers obviously recognize discrimination exists, but the high flyers have found a way to work with it or around it. An additional point could be made here and tied into education. If workers feel their education is being undervalued, perhaps they are less likely to undertake the time investment necessary to get a degree.

Chapter 9, “Opening the Gates,” ends with some potential reforms the author argues would help facilitate upward mobility for low-wage workers. Her policy prescriptions are measured and sensible. We certainly agree that expansion of the EITC, more access to education, and universal health care are all well motivated by her study. We might also suggest that boosting participation rates in existing Medicaid programs and tax credit programs might also be areas for attention.

As a whole, we think the book is a valuable resource for students of low-wage labor markets and researchers across disciplines. As economists, we found the personal accounts interesting, and they will provide more context to some of the existing theory and

evidence. We would caution, however, that some of the observations Newman makes are most applicable to urban settings. Perhaps poor individuals in rural communities face different constraints and incentives. While the SIPP data, most of which are appropriately relegated to a detailed appendix, point to many similarities in national trends and her Harlem sample, we think some of Newman's observations, particular the importance of familial relationships and perhaps of peer influences, might differ in a sample of the rural poor. What is undeniable, however, is the compelling illustration of the issues faced by the workers in her sample and what they teach us about the ones who start off in low-paying jobs.

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Neighborhood Choices: Section 8 Housing Vouchers and Residential Mobility,
by David P. Varady and Carole C. Walker. 2007. New Brunswick, New Jersey:
Center for Urban Policy Research, Rutgers University. 184 + xxi. ISBN 0-88285-
180-2, \$21.95 (paper).

For some of us a compelling question is how can poverty be reduced in the United States? One potential answer involves moving low-income families to non-low-income areas to find better role models, better schools, more employment opportunity, and greater satisfaction with housing and neighborhood. Potential insights into that question are what drew me to this book. Not only does the book explore several of these impacts, it also leads the reader through an analysis of potential changes in federal housing policies to better serve the needy.

Varady and Walker have written a concise and very insightful book on the impacts of subsidized moves of low-income families. Several expected outcomes of subsidized residential moves are not consistently achieved. For example, moves far away from the initial neighborhood do not always result in higher levels of satisfaction. Varady and Walker explore several such hypotheses, heavily utilizing two substantial case studies to bolster other research to give readers a much better understanding of the complexity of creating social policies that generate the intended results.

Housing policy in the United States has evolved over time. With the creation of public housing in 1937, assistance to low-income households was tied to specific geographic locations, the places where the subsidized housing was constructed. That remained the basic U.S. approach, regardless of the specific federal housing program name or number, for over 30 years.

But the approach began to change in the early 1970s when a portion of the housing program created by Section 8 of the 1974 Housing and Community Development Act contained a rent certificate program that gave recipients the opportunity to choose their own housing in the private rental market. This was a complete departure from the project-based housing programs that preceded it. It set the stage for what would evolve into a major shift in federal emphasis from project-based housing to one with residential choice and mobility. Over the ensuing decades, the approach transformed into today's Section 8 Housing Choice Voucher Program.

One of the largest changes in the program in addition to a large-scale switch to vouchers rather than construction was an evolution begun in the 1980s that allowed

and promoted the “portability” of the vouchers, not only to different neighborhoods but also to municipalities outside of the one in which the voucher was initially issued. Over time the voucher became so portable that recipients could move anywhere in the United States. Obviously, that increased portability caused concerns as to just where these low-income families would move and what problems they would cause. Thus began a series of efforts to research who was moving where, what impacts such moves had on the receiving communities, and, most importantly, what impacts the moves had on the recipients themselves.

Circumstances have presented researchers with a good deal of material. The courts created an opportunity (the Gautreaux Assisted Housing Program) for heavily concentrated poor families to move to higher-income, low-minority areas outside Chicago. The U. S. Department of Housing and Urban Development (HUD) also created a pilot in five metropolitan areas (the Moving to Opportunity for Fair Housing Demonstration Program—MTO, for short) to test whether moving low-income families to non-low-income neighborhoods generated positive effects on those who moved. Furthermore, the Section 8 program evolved in many communities across the country to one that stressed mobility.

Varady and Walker have taken the opportunity to examine what others have found and to compare such findings to their own research on the Section 8 program. Their goal is to learn how to improve the operation of the Section 8 program, which they think is far preferable to the MTO approach of forced moves of low-income families to the suburbs. They argue that the MTO strategy is both expensive and counterproductive in that many poor people do not want to live in the suburbs and many also lack the skills needed to negotiate the suburban private housing market.

The lessons that many readers will seek to learn are the lessons that affect the individual families involved. For example, the authors analyze a Section 8 program in California that moved quite seamlessly from one that was restricted to cities such as Oakland and Berkeley to one that allowed movement from these cities into the many other communities in the same county (Alameda County) using Section 8 vouchers. The families that moved did improve their housing and neighborhood conditions, and they were able to do so without special counseling programs. To Varady and Walker, this was evidence that large-scale voluntary moves are possible under Section 8 without the need for additional costs for counseling. Such evidence has convinced them that voluntary programs, especially those that operate where neighboring housing authorities can work together, can achieve the desired goals.

Varady and Walker also build their argument against prescribed moves to specific areas with an analysis of forced moves from housing projects in four different parts of the United States. The participants were “vouchering-out”; that is, they were kicked out of distressed housing projects and told to move elsewhere with an accompanying subsidy. Interestingly, the majority did not move very far, choosing to stay in the same neighborhood. But surprisingly, most reported they were satisfied with their new home and neighborhood. Most also said their residential conditions had improved. And those that moved long distances were not more likely to be satisfied than those who moved a short distance.

It is precisely this type of detailed research, based on a multifold research design that included the review of published materials and other documents on the specific programs, key informant interviews, surveys of the residents, observation of programs in action, use of GIS, and statistical analysis, that produces the insights needed to construct improved public policy on issues as complex as the provision of appropriate

housing programs for low-income families. Varady and Walker are to be complimented for their tenacity in pursuing the multipronged research approach and for dedication in attempting to draw significant and appropriate conclusions from what turned out to be some surprising findings. Their book is a very good read on these lessons.

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Territorial Cohesion and the European Model of Society, edited by Andreas Faludi. 2007. Cambridge, Massachusetts: Lincoln Institute of Land Policy. 227 + xi. ISBN 1-55844-166-8, \$25 (paper).

The contributors to this book systematically explore the interdependent and intertwined concepts set out in the title. The European Social Model (ESM) not only provides the framework within which discussion of territorial cohesion make sense, but—as the book suggests—one of the central ways of delivering (and understanding what is meant by) the ESM is through the achievement of territorial cohesion. It is this interdependence that gives the book its strength as a normative statement about what *ought* to be happening as much as what *is* happening.

So, the underlying question remains whether it is possible to identify a clearly specified ESM. That is the focus of Andreas Faludi's introductory chapter, which helpfully reviews various attempts to clarify the meaning of ESM. In practice, the notion is understood in very broad terms—summarized in terms of “shared values” such as “equity, competitiveness, sustainability, and good governance” (p. 19). Where the focus is any narrower, the model is largely understood (here and in later chapters) with reference to its roots in French social and political thought (which are further explored by Jean Peyrony in chapter 4). It is also suggested that the distinctiveness of the ESM may flow from the supposedly greater extent to which “Europeans” are “rooted in their soil” than residents of North America. However, such claims are difficult to sustain not only because of the impact of migration since the 1950s (both within Europe and from outside), but also because of the way some of Europe's borders were redrawn and populations forcibly moved in the 1940s (and also more recently in the case of the Balkans).

By implication and in practice ESM tends to be defined rather more in terms of what it is not than what it is—i.e., it's not “Anglo-Saxon” (by which seems to be meant, British) or American, and it offers a counterpoint to global neoliberalism (in chapter 6 John Bechtler and Laura Polverari directly challenge this way of thinking, seeking to develop a more positive expression of the notion, but it remains difficult to avoid). Unfortunately all of this implies that the ESM's meaning and significance remain elusive—present in a series of European statements and the words of particular political leaders and academics, but less obviously expressed in the implementation of actual policies. That difficulty is even reflected in this collection: each chapter has a slightly different take on what ESM might be.

In some respects, territorial cohesion seems equally hard to pin down as actually existing practice, despite the arguments by the authors. One problem (which also, of course, makes the notion politically attractive) is, as Bas Waterhout notes, the extent to which it is given meaning by a set of overlapping yet distinctive story lines. Territorial cohesion largely finds its expression in documents and statements produced through

various EU bodies. Although Gabriele Tatzberger's discussion of the experience of the Vienna-Bratislava-Győr triangle in chapter 9 offers us the possibility of looking more closely at some of the possible implications of territorial cohesion policy in a particular location where transborder relations are centrally important, the outcome remains uncertain and ambiguous. More empirical work of this sort will be needed before there can be any clarity about the extent to which either the ESM or territorial cohesion policy are effectively driving development.

But if the book is approached from rather a different perspective—namely, as a text that aims to set out a (European) vision for the European Union, as a political statement in its own right, then it works rather more convincingly. It is a book that presents the ESM as a positive way forward, and territorial cohesion is understood as one of its essential underpinnings. Several contributing authors emphasize the possibilities of territorial policy or European spatial policy delivering wider social objectives. Simin Davoudi, for example, is clear about the extent to which it offers the prospect of adding a social justice dimension to European spatial policy. From a different starting point, Jacques Robert notes the extent to which the rise of territorial cohesion as a policy objective can be understood as a reactive response to “territorial destructuring” (that is, the destruction of what people living in them experienced as balanced regional economies and communities)—in some cases encouraged by the EU's sectoral industrial policies. The stress on polycentric and balanced development (rather than development concentrated on growth poles) also appears to offer more security.

In other words, we have an alternative vision of “welfare” or social well-being delivered through cohesion and a territorial approach in particular, rather than policies that are targeted on disadvantaged individuals, groups, or markets. From this perspective the collection can be understood as part of a broader (political) project to transform and reinvigorate the European Union, as much as anything else. For U.S. readers it may—as the foreword by Armando Carbonell of the Lincoln Institute suggests—offer an alternative way of thinking about spatial policy in the context of market-driven development. But for a European reader it is equally (perhaps more) clearly a statement about the direction that spatial policy in Europe should be taking. That's what makes it such a fascinating book. It both sets out and explores the politics of key sets of professionals and policy actors in the European Union, putting forward a vision that is rooted in European—rather than a national—understandings. For these authors (and others like them), Europe has become the policy and professional playing field.

Of course, that in turn raises some interesting and important questions. And, in particular, the extent to which this is a programme or project that is capable of mobilizing wider sets of interests—or of gaining wider popular legitimacy. Some authors in the book are quite explicit in seeking to engage with the political problems that arose from the failure of the EU Constitution to gain acceptance through referendums in France and Holland. These were associated with the failure of the European Union to set down deep political roots and, indeed, the extent to which it appeared a threat to national social models.

In that context territorial cohesion seems to provide a way out because it runs counter to the logics of neoliberalism and the destruction of regionally or locally based community. It offers forms of social protection without the usual bureaucratic paraphernalia associated with most social protection regimes. However, and despite the well-argued—and sometimes exciting—case presented in the book, it remains difficult to see quite how these ideas can be translated into a popular politics. It still reads like

the politics of a new—European—professional layer and it is not yet clear where the wider political constituency for that layer is to be found.

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Cities in Globalization: Practices, Policies and Theories, edited by Peter J. Taylor, Ben Derudder, Pieter Saey, and Frank Witlox. 2007. Series: Questioning Cities. New York: Routledge. 330 + xvii. ISBN 0-415-40984-1, \$150.

Globalization—the growing integration of economies and societies around the world—has been one of the most hotly debated topics in international economics over recent years. An increasing share of spending is devoted to goods imported from abroad, and an increasing share of what a country produces is exported. Capital flows across the globe have increased markedly. Over the past two decades, global flows of foreign direct investment have more than doubled relative to gross domestic product, while savers have increasingly diversified their portfolios to include foreign financial assets and borrowers have increasingly turned to foreign sources of funds. Finally, international migration poses opportunities and challenges to both developed and developing countries. Because of these increasing flows of goods, capital, and people, a vast array of cultural products from different countries is now available in any one place, and their own nation state is no longer the only entity affecting people's political and social life. Economy, culture, and polity have been transformed and reshaped to produce a more global world and consciousness.

Because of the variety of forms globalization can take, it may raise different issues and have distinct consequences in different parts of the world, which call for different assessments and policy responses, at different scales and at different levels of government. Critical to the globalization debate is the role that cities can play in the process. Needless to say, it is a two-way process: globalization takes place in cities and cities are reshaped by globalization. The authors of the extremely interesting collection of contributions in Taylor, Derudder, Saey, and Witlox's book investigate these issues.

The theory of the formation and growth of cities is complex and multifaceted, involving economics, geography, urban planning, and sociology. It is not easy to find the right balance of topics and make new points, but the four editors put a great deal of effort into providing a complete picture of the state of the art and proposing some directions for future research in the field.

Each of the 17 chapters is almost self-contained, but reading most of them in a proper order, not necessarily the order proposed by the editors, allows the reader to follow an interesting sequence of developments in world city networks. In particular, the collection of essays has four main themes.

Part I provides interesting methodological examples on how to measure world city networks empirically. In so doing, the four contributions in this part illustrate the three levels of Manuel Castells's approach. Arthur Alderson and Jason Beckfield explore the role played by social relationships in shaping the city networks using data on parent firms and their affiliates abroad, while Frank Witlox and Ben Derudder illustrate the role of infrastructure by discussing in detail how and to what extent airline passenger flows may be useful in analyzing the networks. The authors of two chapters,

Jonathan Beaverstock and Paul Knox, focus on elite relationships, by analyzing how global investment bankers and design service providers are able to shape the networks.

Overall, those four chapters demonstrate the importance of private agents—both individuals and firms—in determining the formation of the world city network, while its changes over time are explored only marginally—by Alderson and Beckfield. In particular, Alderson and Beckfield compare the relationships between parent firms and their affiliates abroad in 1981 and 2000, i.e., at the beginning and the end of the last wave of globalization, whose major players have been multinational enterprises and migration flows. The authors demonstrate that while globalization has changed the structure of the networks, the distribution of power and prestige across cities has become more concentrated and still reflects the role played by the country each city belongs to. These results are not surprising given the way world city networks have been measured. Core countries are net investors abroad and host multinationals' headquarters, while peripheral countries are net receivers of foreign investments. While multinationals' headquarters do not change location over time, the particular locations abroad of their foreign affiliates depend strongly on the firms' internationalization strategies and the location advantages they wish to exploit—and of course both factors may change over time.

Overall, the essays in part 1 demonstrate that city networks may appear in a variety of different forms. The concept of network that emerges from this variety is, however, rather ambiguous, which may create a conceptual confusion and generate a number of uncertainties in both theoretical and empirical analyses. On the importance of defining world city networks properly, the reader can find interesting discussions in the essay by Bert van der Knaap and the one by Roberto Camagni in part 2 and in Ben Derudder's essay in part 4. For that reason, those contributions go far beyond the objective established by the editors, which is to offer the reader either the European thinking on the topic or a rethinking of old ideas. Rather, they provide the reader the conceptual and theoretical framework necessary to understand and interpret most of the contributions in the book. Therefore, they deserved a better position within the book than they have.

The authors in part 3 focus on one of the most often neglected aspects of world city networks, namely, urban politics. They demonstrate clearly that urban politics may affect the networks, either positively or negatively. Herman van der Wusten shows that the presence of supranational political institutions may transform less-than-giant cities in small countries into important central nodes in world networks by focusing on the politics of four medium-sized European cities: Geneva, Brussels, Vienna, and The Hague. Stephen Graham, on the other hand, illustrates how politics may work against world city networks, as has occurred since September 11, 2001, when the need for assuring security in most cities around the world has brought policymakers to export the "war on terrorism" outside national borders. This has created a potential divide between secure places (homeland) and insecure (targeted by terrorists) places that contrasts with the vision of world city networks.

After this extremely rich representation of the state of the art of our knowledge on relations between cities in globalization, contributions of part 4 suggest how we can further improve our understanding of city networks. Two approaches are viable for this purpose. The first refers to the rethinking of old concepts and theories, the focus of the last three chapters of the book, while the second implies the adoption of a more active approach to change traditional tools of analysis—as suggested by Saskia Sassen in chapter 13—or to consider unconventional conceptual approaches—such as

the poststructuralist approach that Richard Smith indicates is one of the most promising schools of thinking in chapter 14.

Cities in Globalization is an important contribution that will be appreciated by both experienced and less experienced academics interested in better understanding world city networks and also by practitioners who want to deepen their professional perspective. While there are some chapters that disappoint, the majority of the contributions are worth reading and the reader leaves the book with an enhanced understanding of the complexity and varieties in the experiences of the networks in a more and more globalized world. This makes the book a valuable reference aid for many economists, sociologists, urban planners, and geographers interested in investigating city network formation and development from a multidisciplinary point of view.

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Industrial Clusters and Innovation Systems in Africa: Institutions, Markets and Policy, edited by Banji Oyelaran-Oyeyinka and Dorothy McCormick. 2007. Tokyo and New York: United Nations University Press. 323 + xiii. ISBN 92-808-1137-7, \$38 (paper).

There have been a series of books recently on the role of industrial clusters in development. That clusters matter and are important for understanding processes of industrial development is a common theme across all these works. Oyelaran-Oyeyinka and McCormick present a series of case studies of a large range of clusters in African economies. They frame the case studies by an introduction setting out the framework to be used in the following chapters and a final chapter on policy implications.

The empirical chapters begin with studies of clusters in the traditional sectors of textiles, furniture making, woodworking, vehicle repair, and metal fabrication in Kenya and Tanzania. The authors find, as have many others before, that such firms depend on the domestic market and view their major problem as being a limited demand for their products. The authors of the Kenyan study, Dorothy McCormick and Mary Njeri Kinyanjui, argue that one of their main findings is that "the Government of Kenya needs to revive the country's economy, particularly agriculture and other activities affecting the rural areas since most Kenyan clusters are located in rural areas and small towns and a strong rural economy is likely to increase demand for their products" (p. 76). In her study of micro and small enterprise (MSE) clusters in Tanzania Flora Mndeme Musonda concludes that "the unique characteristics of MSE clusters, including collective efficiency and flexible specialization, offer a significant potential for industrial development in Tanzania" (p. 98).

The chapters on Kenya and Tanzania essentially review the typical small scale enterprise in Africa. The following chapters offer a view of less traditional clusters. Banji Oyelaran-Oyeyinka presents an account of the Otigba computer cluster in Nigeria. It differs radically in two respects from those surveyed in Kenya and Tanzania in that it has grown rapidly in a nontraditional product. "From a few shops selling imported computer systems and allied products in the late 1990s along Pepple Street, the Otigba ICT cluster has grown to 2,000 shops spread over six streets. The development of the cluster is a salute to the courage and entrepreneurial spirit of the operators as government intervention was, and still is, minimal" (p. 123).

There are two chapters dealing with aspects of fish processing on Lake Victoria, one looking at clusters in Uganda that is entitled "Learning to change." The title of this chapter, by Rose Kiggundu, is slightly anomalous as it shows that the firms were made to change by the controls on their export markets and that the firms were not clustered. A second, by McCormick and Winnie Mitullah, is a general history of the development of the fishery industry in East Africa, and it focuses on how local markets respond to export opportunities. There is also a study of the Durban Automobile Cluster (DAC), in which Jochen Lorentzen, Glen Robbins, and Justin Barnes argue that it did lead to sharing of knowledge, and a study of institutional support for collective information and communication technology (ICT) learning in Kenya and Ghana, in which Oyelaran-Oyeyinka, Kaushalesh Lal, and Catherine Nyaki Adeya argue that "firm and cluster-specific factors emerged as significant determinants of ICT adoption, while ICTs drive cluster performance in increasingly competitive domestic and global markets" (p. 289). These last two studies are the only ones in the book that attempt any formal test of a hypothesis.

So does this book provide evidence that clusters matter and policy should support them? Certainly most of the authors think their analysis suggests government support is needed (the study of the Nigerian ICT cluster already quoted being a conspicuous exception). The problem is that while there is compelling evidence that firms do cluster the reasons for this clustering are not explored in any systematic way in almost all the studies in this book for the simple reason that almost no relevant data are presented. The result is that there is an enormous gap between what is claimed for clusters and industrial policy and the evidence for any of these propositions.

A key argument advanced is that at least potentially clusters provide a basis for learning. It is clearly recognized that in some cases such learning may be limited, as where products are traditional ones as in the clusters in Kenya and Tanzania. So implicit in the account across the different chapters is that sometimes firms may learn and sometimes they may not. So the question we need an answer to is when will firms learn and when will they not? We cannot however even ask that question as we are not given any data that enable us to measure the extent of learning. For the reader this is very frustrating. It is very clear from the accounts—by far the best one is of the Nigerian computer cluster—that entrepreneurs do learn. We also know, although the presentation is informal, that in the case of the Nigerian cluster growth occurred. However it appears from the data presented in Table 6.2 (p. 106) that the growth in firm size was very modest and almost certainly not significantly different from zero. So growth occurred by new firms entering the market, not by existing firms becoming bigger. If that is the pattern of growth it has important implications for how firms will impact on each other and on their workers' incomes.

The firms that are the most successful are clearly those who have some access to an export market. Again it is striking that the exports from the Nigerian cluster are over 25 percent of the output, which by African standards is a very substantial degree of export orientation. It appears, however, that these exports were regional ones within Africa. The other industry that saw a substantial increase in output is the Lake Victoria fisheries (chart on p. 217), and this was all for exports to Europe. Why is it so important these firms export? The answer is that if they do not they are entering a domestic market where a downward sloping demand curve for their products will almost certainly result in declines in prices and incomes for the new entries. It is for this reason that the focus on small and medium scale enterprise is so problematic. We know from the numerous studies using the quantitative data available on firms in Africa that size

is by far the most important correlate of exporting. To be sure, such firms are not large by international standards but they are large by African ones.

If exporting is indeed the key to successful growth, and the only clusters in this book that can remotely be described as successful had a substantial exporting sector, then the views frequently expressed in the book that governments should be promoting small and medium scale industry are flawed. The fact that so much employment is provided by these firms is not an argument for supporting them but an argument for policies that will see them replaced by larger more export-oriented firms.

Which brings us to the policy implications set out in the final chapter. The focus here is very definitely not on the need to export, it is on the need for collaborative arrangements between governments and business. What is the editors' evidence that what might be termed 1960s industrial policy will work? They draw on the case studies of the DAC and the Lake Victoria fisheries to support their case. However, growth in the latter ended in the mid-1990s and we are not given any evidence that the DAC has created the jobs South Africa so urgently needs.

Governments in Africa are desperate for policies that will create jobs. The continuing rapid growth of the labor force and the failure of formal sector jobs to grow as fast, or in some cases at all, ensures that the aspirations of those coming onto the job market cannot be met. This is rightly seen as the single most important problem facing those governments in Africa who do wish to ensure their industrial policy will lead to increases in the living standard for the poor. The authors of this book see clusters as being part of the solution; their findings equally seem open to the interpretation that, in most cases, they are the problem.

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Urbanization in China: Critical Issues in an Era of Rapid Growth, edited by Yan Song and Chengri Ding. 2007. Cambridge, Massachusetts: Lincoln Institute of Land Policy. 302 + xvi. ISBN 1-55844-175-0, \$30 (paper).

Urbanization in China is perhaps one of the most important events in the contemporary history of the world. China's remarkable ongoing urbanization has recently attracted research and policy attention from international organizations. Out of the Lincoln Institute's long-lasting involvement in China's land policy studies, this book is a new addition to its publication series. It provides the most updated review of urbanization trends in China, and it is a balanced review. The authors understand urbanization as a package including land and housing market developments and changing means of financing to develop urban assets. With a lineup of renowned and active China specialists as authors, the book examines a wide range of issues in the country's urbanization processes, and it is a fine collection of well-written chapters by authorities in their fields of study.

The first section contains three chapters, on urban development patterns (Tingwei Zhang), transit development combined with land projects (Ming Zhang), and price signals to land use planning (Paul Cheshire). Although titled "Urban Planning in the Face of Urbanization," this section is based on interesting studies of different forms and mechanisms of land development. In the second section, "Land Policy," authors focus on land acquisition (Chengri Ding), farmland policy (Erik Lichtenberg and Ding), and

arable land resources (Robert Ash). The third section, "Rural-to-Urban Migration and Its Implications," starts with two chapters on migration and "urbanizing villages" (former villages that are surrounded by new urban development), one by Yan Song, Yves Zenou, and Ding and one by Michael Leaf, then there are chapters on migrant housing (Roberto Quercia and Song) and labor market efficiency (Jeffrey Zax). The fourth section, "Financing China's Urbanization," includes chapters on public finance (Randall Crane), infrastructure funding (Weiping Wu), and nonperforming loans (Bing Wang and Richard Peiser).

While the four sections seem to address different topics, I find there is an internal logic running through them. They are all based on or related to land development. For example, the opening chapter by Tingwei Zhang describes three types of urban spaces: new, renewed, and ignored. Essentially, these are modes of land development (Zhang draws distinctions between development and redevelopment, and between formal and informal development). The chapters on public finance by Randall Crane and infrastructure finance by Weiping Wu are about the economic drivers of land development. By nature, these are extremely complicated topics, given local variation within China and central-local dynamics.

While titled *Urbanization in China*, the book is not a demographic study of urbanization. Rather, it focuses on the issues of land development and various related policy issues. Although there are already extensive studies of China's urbanization, this volume has its own strengths. First, most chapters contain very detailed examples and data analysis. For example, Ming Zhang's chapter on integrated development of land and transit is well illustrated by examples from Hong Kong, Taipei, and Shanghai. These cases are detailed enough to be exemplars for local planners. The chapter by Yan Song, Yves Zenou, and Chengri Ding on urbanizing villages is supported by a social survey and data analyses (e.g., estimation of a multinomial logit model of several housing tenures—public housing rental, private housing other than in urbanizing village, and private housing rental in urbanizing villages).

Second, the authors aim to provide policy recommendations and thus the book is more forward-looking than usual research monographs, which are more oriented toward explaining the current situation. The book also provides useful examples and lessons from places outside China. For example, the chapter by Roberto Quercia and Yan Song on housing rural migrants provides lessons learned from low-income housing policies in the United States, and the discussion is detailed enough for readers to follow up. Quercia and Song do not just borrow the critique of low-income housing from the West but rather have a constructive intention to help to address policy formulation in China.

Third, some chapters such as Michael Leaf's on urbanizing villages are some of the best-thought-out pieces on their topics. Leaf reviews and synthesizes the literature and examines multiple aspects of urbanization. He expands the usual notion of chaotic and underdeveloped migrant villages to multifaceted settlements, and describes them as raising a land use issue, an identity issue (due to migrant enclaves), a housing issue of "self-help housing," and a governance issue. Leaf provides insightful observations, reflecting conflicting views about the urbanizing villages. He brings in the views from sociological and political sciences studies of urbanizing villages and enriches the usual understanding of urbanization as a demographic change process.

The distinctive feature of this book is its focus on land development as the key process of urbanization and on related issues in housing, planning, and finance. It provides fresh reading on several policy fronts. First, urban planning in China lacks an overall strategy to control urban sprawl; insufficient attention to integrated land use

and transportation development means that current planning has a much more to do to foster transit-oriented development. Second, the land use policies are twisted by myopic local government officials for the purpose of revenue generation. Third, the current housing policy ignores the issue of migrant housing and totally leaves it to the hand of the market. Fourth, current municipal finance relies heavily on land sales rather than a steady source from taxes on properties.

As stated in their well-written conclusion chapter, Song and Ding see that

the impetus for this book is the identification of issues and problems in the current state of China's rapid urbanization, and their potential impacts. The book presents the issues in a way that is accessible to a wide audience of decision makers, scholars, and practitioners in organizations around the world. This volume will contribute to engagement with policy makers and scholars interested in China; it is one of the few records of this kind in the literature on China's urban planning and development. Our extended motivation and goal, based on understanding these issues and problems, are to establish a research agenda with the purpose of seeking possible solutions. (p. 289)

The editors should be congratulated for their achievement. The book has fulfilled their mission. Because of its problem-solving and forward-looking approaches, the book brings in fresh readings of many emerging issues in China's urbanization. Overall, it is a timely addition to existing urban China studies. It book is very informative and useful not only to academic researchers but also to policymakers inside and outside China.

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The Dynamics of Regional Development: The Philippines in East Asia, edited by Arsenio M. Balisacan and Hal Hill. 2007. Cheltenham, U.K. and Northampton, Massachusetts: Edward Elgar. Published jointly with the Asian Development Bank Institute. 482 + xxxi. ISBN 1-84542-838-9, \$155.

Arsenio Balisacan and Hal Hill have edited a must-read volume of 13 essays that extract the results and relevant lessons of Philippine regional development amid decentralization and globalization. In the introductory essay, the editors and Sharon Faye A. Piza discuss what they consider to be the ten more important analytical and policy issues. Earlier, in their Preface, they had narrowed them down to three: First, the decentralization program can be moved forward by firming up the division of functions and their financing between the center and the regions; second, if development usually follows infrastructure, then infrastructure policy can be said to be the most important regional policy tool; third, the conflict in Mindanao is the most critical problem that needs to be resolved.

The next four essays consist of two "big picture" pieces (one by John Weiss, one by Hill) that provide an analytical framework of regional development, and another two that present country experiences of Indonesia (by Budy Resosudarmo and Yogi Vidyattama) and the People's Republic of China (by Ligang Song). These serve as lenses through which to view the different facets of the Philippine experience as presented in the remaining eight essays. Topics covered include regional labor markets (Emmanuel Esguerra and Chris Manning), decentralization and the financing of regional development (Rosario Manasan), infrastructure and regional growth (Gilberto Llanto), regional

responses to trade liberalization and economic decentralization (Gwendolyn Tecson), quality of local governance (Joseph Capuno), and development of the rural nonfarm sector (Jonna Estudillo, Tetsushi Sonobe, and Keijiro Otsuka). Although development practitioners and laypersons interested in Philippine regional development will surely find it worth their time reading all the papers, I consider three papers deserving of extended comment here.

In “Regional Development: Analytical and Policy Issues,” Hal Hill distills several key lessons from a review of the literature. Two lessons, even though they may be considered old hat, are worth mentioning. First, encouraging labor migration can be considered to be one of the main components of a regional development strategy. However, it is important to note that labor migration may worsen interregional inequality even as it improves individual incomes. Second, infrastructure helps lagging regions catch up as they reap the benefits of globalization. During the early phases of a country’s opening up to the global economy, its regions with better infrastructure and stronger industry clusters will attract more trade and widen the income gap with other regions. But the central government can close this income gap. It can provide the lagging regions with infrastructure—ports, airports, telephones, and broadband—that connects them to the global economy, allows them to sell their products to international markets, and gives them access to fresh sources of investment.

In “Local Politics and Local Economy,” Emmanuel de Dios puts into context some of the policy issues that Hill brings up in his essay. Using an institutional economics framework, de Dios presents the impact of various styles of local governance on regional development. At the same time, he relates the implications of these governance styles to the issues of decentralization. One useful lesson he draws from the analysis is how a change in the basis of power leads to an investment climate that attracts much needed job-generating firms and resources to a lagging region. He argues that “[t]he stability of investment-friendly policies is enhanced most when political power becomes less based on the charisma or personal reputation of the local leaders and instead relies more on a civic constituency with a pronounced stake in the provision of local public goods” (p. 184). He cites three cities—Cebu, Marikina, and Naga—that have been able to build up these constituencies with an eye for the common good.

Complementing de Dios’s analysis based on thick descriptions of the regimes of specific local leaders, is the essay “Local Growth and Poverty Reduction,” by Arsenio Balisacan. He uses the Barro and Sala-i-Martin growth framework and a provincial panel data set (for 1988–2003) to examine the factors that affect differences in growth rates of provincial per capita income and poverty reduction, as well as the responsiveness of poverty rates to income growth in the Philippines compared to other Asian countries. He confirms the results of earlier studies that showed that access to infrastructure and improvements in literacy exert positive effects on income growth. He makes the interesting finding that the Comprehensive Agrarian Reform Program (CARP) may have had no significant direct effect on reducing poverty rates, even though it may have had an indirect effect via a positive effect on income growth. He interprets this result to mean that the implementation of the CARP may not have been effective in reaching its targeted beneficiaries. Finally, he finds the responsiveness of poverty to income growth in the Philippines has been much smaller than in comparable Asian countries.

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Governing Fortune: Casino Gambling in America, by Edward A. Morse and Ernest P. Goss. 2007. Ann Arbor: University of Michigan Press. 324 + xiii. ISBN 0-472-09965-8, cloth, \$80; ISBN 0-472-06965-1, paper, \$29.95.

The very first commercial casino licensed by my Canadian provincial government for card games, slot machines, and later roulette opened during the mid-1990s in the city where I currently live. I naively anticipated at that time becoming “the” regional scientist with modeling and mapping skills of interest to government and gambling officials, as well as community residents. My ongoing research project about crime and disorder offenses, and house sales, was situated in the residential neighborhood adjacent to the new casino site. I refocused the modeling and mapping to hypothesize that changes in the timing and geographical distributions of these offenses and sales measured the casino’s social costs. Sadly, I eventually realized that neither government nor the industry was interested in such measures.

Thus I started reading Morse and Goss’s book, which is at heart about these social costs, hoping for help in rationalizing this past lack of interest, and redressing it in the future. Morse (a law professor) and Goss (a regional economist) caution several times that “costs associated with the gambling industry are diffused and difficult to measure, whereas benefits (such as jobs and tax revenues) are tangible and quantifiable” (this particular wording is from p. 11). Nonetheless, they opine that “policymakers do not have the option of waiting for these questions [for example, about problem gambling] to be solved with certainty” (p. 78). Gambling may no longer be an evil form of consumption that most historically thought it was—and fewer currently do think—but it remains a somewhat unusual form of consumption if gamblers presumably enjoy it less when they spend more, and, inevitably, lose more.

Morse and Goss trace out the explosive growth in popularity of casino gambling in the United States especially since the late 1980s and early 1990s. As of 2005, millions of gamblers across the states were spending billions of dollars in progressively larger commercial and tribal casinos, operated by private companies with hundreds of millions of dollars in assets and revenues. The authors quantify the corresponding growing reliance of state governments on the millions of dollars in tax revenues from commercial casinos—while explaining the lower amounts from tribal casinos.

They consequently devote much of their relatively short book to the regulations behind this growth in casino gambling, enacted through government legislation and legal decisions. The evolution in the regulations has (un)intentionally weakened both the industry’s and governments’ responsibilities for addressing social costs. Much less of their book is devoted to the same actors’ and community activists’ roles in curtailing either casino or internet gambling.

Their legalistic interpretations are substantiated with (long) quotations from key decisions of the U.S. Supreme Court, and Circuit Courts of Appeals. They, however, do not explain the working relationships between the various branches of U.S. government, especially the Circuit Courts of Appeals. Oddly, in contrast, they explain the calculation and interpretation of a correlation coefficient and a location quotient (but not the coefficients of variables in a multiple regression for predicting economic conditions in casino and noncasino counties). Therefore, their legalistic interpretations may be of less interest to researchers in other countries with casinos—and of only passing interest even to American regional scientists. Morse and Goss’s only references to the structures of casino gambling outside of the United States are a few sentences each to the United Kingdom and Singapore.

Even though casino gambling in the United States has exploded in popularity, it is geographically concentrated. Out of more than 3,000 counties nationwide, only 57 counties in 11 states had commercial casinos, and an additional 192 counties in 33 states had tribal casinos. The vast majority of these casinos have been located accessible to larger urban populations within 2 miles of state borders—or an international border as in my example above. These cross-border locations have promoted governments' competitive (un)regulation of casino gambling, and excused them from mitigating its social costs. Such locations may also have obscured the spatiotemporal distributions of social costs, but these have certainly not become "aspatial," like the crime of money laundering for which Morse and Goss explain federal government regulations. The authors corroborate their own inferences about lagged but increased local crime rates from casinos, by uncritically referring to Grinols and Mustard's article (2006) with statistical analyses of arrests and offenses data for counties with and without casinos. By association, they also accept the timeliness of Grinols and Mustard's cited literature, though that literature was more current when it was submitted for publication in 2001 than when it was accepted in 2005.

Morse and Goss speculate in their conclusion that "even the industry itself appears to be willing to take greater steps to address problem gambling" (p. 248). Licensing of gamblers is one of their public policy initiatives, and their legalistic discussion of this proposal reiterates the contribution of their book. They however do not advocate more research into some of their own tantalizing geographical and temporal effects of casinos: e.g., numbers of problem gamblers peak near casino locations and decline farther away (p. 77); and bankruptcies spike nine years after casino openings (p. 86). My conclusion is that this book helps to explain why regional scientists were marginalized in the past, and will be in the future, if Morse and Goss are correct about how social costs of casino gambling have (not) been, and will (not) be, theorized.

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