

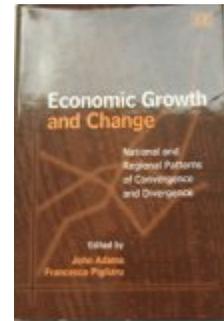
# H-Net Reviews

in the Humanities & Social Sciences

John Adams, Francesco Pigliaru, eds. *Economic Growth and Change: National and Regional Patterns of Convergence and Divergence*. Cheltenham, UK and Northampton, Mass.: Edward Elgar, 1999. xxvii + 483 pp. \$100 (cloth), ISBN 978-1-85898-683-8.

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*Economic Growth and Change* represents the proceedings from a conference held at the University of Cagliari intended to elucidate the problem of economic development. As is the case with most conference volumes the subject matter is rather diverse. However, unlike most conference volumes, this book maintains a natural and steady flow of ideas. The editors, John Adams (Visiting Scholar, Center for South Asian Studies, University of Virginia) and Francesco Pigliaru (University of Cagliari), accomplish this by organizing the essays around three levels of analysis: The first level examines differences in incomes across regions of the globe. The second examines differences in incomes across regions of the industrialized countries. The third examines differences in incomes across regions within a country.

With the conference being held in Sardinia, Italy, it is understandable that several essays are devoted to the postwar development experience of Italy. Taken together, these chapters provide an informative picture of economic growth in Italy. Raffaele Paci and Francesco Pigliaru begin by reporting the changes in the distribution of income across Italian regions over the last 30 years making use of a new data set. Most notably, they document the lack of convergence in income between the south and the north after 1975. Two essays that follow, one by Andrea Boltho, Wendy Carlin and Pasquale Scaramozzino and the other by Luca Dedola, Stefano Usai and Marco Vanini, provide some insight for this failure. Boltho, Carlin, and Scaramozzino compare policy and institutions in Italy and Germany in order to determine whether regional income differences in a united Germany are likely to resemble those of northern versus southern Italy. In addressing this question, they doc-

ument a change in Italian policy starting in the early 1970s from one that emphasized public investment in the south to one that emphasized income maintenance and recruitment of civil servants. These changes were accompanied by a decentralization of spending authority that gave rise to greater rent-seeking behavior. Dedola, Usai, and Vannini attempt to assess the amount of risk sharing among Italian regions, and compare this to the amount of risk sharing among United Kingdom regions. They find that the government in Italy plays an important role in smoothing consumption, again suggesting the role of policy in Italy as a redistribution mechanism rather than a growth catalyst.

While the book is somewhat successful in illuminating the reasons for the different growth experiences of regions within Italy, it is far less successful in illuminating the reasons for the different development experiences of regions around the globe. Still, there are some interesting and provocative ideas to be found in the book, several of which are worthy of future research. One such idea has long been emphasized by traditional development economists, but mainly ignored by growth economists. This idea is that structural change is fundamental to the development process. There are two essays in this volume that show how changes in sectoral composition are critical for understanding local and national performances. Raffaele Paci and Francesco Pigliaru in a second essay document structural change within European regions while Teresa Garcia-Mila and Ramon Marimon undertake a similar exercise for Spanish regions. Both essays provide strong support for traditional development economists' view that understanding structural differences is important to understanding international

income differences.

Two other essays dealing with the issue of international income disparity are particularly provocative. The first is Dennis Mueller's essay in which he draws an analogy between the rise and fall of firms and the rise and fall of countries, and the second is Shahid Alam's essay on the role of colonization in the poverty of nations. Although both authors raise some interesting questions, neither offers much support for his ideas. Alam, in fact, seems more interested in expressing his disdain for mainstream economics and the IMF than providing a formalization and rigorous test of his ideas. Despite their shortcomings, these essays point to some questions that merit serious thought and scholarship.

*Economic Growth and Change* is a book that certainly deserves a look. It contains some interesting ideas and illuminates some interesting trends. Much of the

book is devoted to the European postwar experience, which makes it rather unique among books on economic growth. For this reason, it may be particularly appealing to European researchers and policy makers. The methodologies employed within the book's chapters are diverse, ranging from Irma Adelman's factor analysis of growth rates to Jeroen van Bergh and Peter Nijkamp's simulated model of growth and the environment. However, the majority of chapters employ some form of growth rate regression of the variety made popular by Robert Barro and Xavier Sala-i-Martin. For this reason, the book is likely to be of greater interest to those researchers who follow this empirical approach.

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