

Book Reviews

THE ECONOMISTS' VOICE by Stiglitz, J.E., A.S. Edlin, and J.B. DeLong (eds.), Columbia University Press. New York.

The Economists' Voice presents a series of small papers by prominent economists on subject areas within the general discipline of economics that are regarded as highly topical. All in all, there are 35 chapters in the volume. These chapters are divided into 9 main themes – which include climate change, the international economy, the Iraq war, fiscal policy, social security, tax reform, social policy, the death penalty and real estate. With the exception of the section on the death penalty – where there is something of a debate taking place amongst the chapters – each section and each paper within it are essentially self-contained. Each paper takes a look at a specific aspect of the theme and presents an argument or two before offering a conclusion of policy implication. For instance, DeLong's paper on capital controls (chapter 8) argues that capital inflows have not benefitted developing economies as much as first thought and that, in fact has potentially made such countries more vulnerable to crisis. Furthermore, the evidence suggests that, post-liberalisation, capital seems to flow away from developing economies into developed ones.

I found the book a very enjoyable read. If I were to be picky, I might suggest that the volume is a little USA-centric. Certainly, those chapters on tax policy, social security and the death penalty fall quite clearly into that category. Ideally, there might have been a few more global issues such as trade agreements (although these were touched on in the chapters on climate change, the Iraq war and the aforementioned chapter on capital controls), financial crises, the euro and issues of poverty and social policy beyond American shores.

Furthermore, it doesn't (and indeed doesn't pretend to) provide a summary of all the main fields of economics. Whilst there are small sections in various papers, there is little on issues of economic development, international financial markets, labour economics (an exception here is Chapter 25 on the pluses and minuses of tertiary education) and the federal reserve system and monetary policy – to name only a few.

The book provides many of the conceptual apparatus that are expected of economists. There are many papers the weight up economic costs and benefits – regarding climate change, of capital flows, of the Iraq war, of a college education, of the fiscal deficit. There are many papers arguing in favour of government intervention – more in the case of America's mortgage originators in Chapter 35 and in the provision of a progressive consumption tax in Chapter 20, less in the case of the Iraq war in chapters 9 and 10 or on investment income tax in chapter 19. Indeed, those who have trouble with the concept of opportunity cost should perhaps read chapter 9 and 10 on the Iraq war and Chapter 24 on rebuilding New Orleans for an appreciation of this concept.

Who should read this book? I believe that the audience for this book is quite wide. I suspect that all economists would benefit by being able to read about topics not generally in their field of expertise. Those who have had some access to the basic language of economics should also find most of the material digestible. But, in my view, the group that would find this volume the most useful are students of economics – possibly in the second or third year of an economics or business degree. This book highlights the breadth of the discipline and the vast range of interesting topics that can be analysed by simple economic argument and some elementary economic concepts.

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