

differences makes a unified citizenry difficult if not impossible to establish. The volume does not suggest a pathway towards resolving the differences and thereby bringing about civil cooperation — nor is it the author's intent to do so. It leaves aside divided citizenry scenarios and consequently the author does not analyse governments' need to establish and sustain "critical masses" of citizen support while, at the same time, taking into account the needs of peripheral and excluded groups.

The book's analytic structure, its basic findings, and the implications of those findings are the result of a logical application of a well-designed, carefully researched, and disciplined model. The author provides explanations about how data were collected, how the model was made operational and how the relationship between dependent and independent variables was established. The volume is a first-rate example of useful and serious scholarship, and it is recommended enthusiastically and without reservation. It is clearly written, timely, and will appeal to readers who share an interest in, and perhaps even a commitment to taking action designed to shape political processes. The author makes a persuasive case that optimum progress will be forthcoming *only when* (a) citizens play a role in shaping economic agendas, (b) governments understand that they are not modern-day overlords, and (c) leaders recognize that they must be accountable, transparent and responsible.

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***The Origins of Development Economics: How Schools of Economic Thought Have Addressed Development?* Edited by Jomo K.S. and Erik S. Reinert. London and New York: Zed Books, 2005. Pp. 165.**

The content of *The Origin of Development Economics* reflects the exacting labours of its

editors, Jomo K.S. and Erik S. Reinert. The volume captures the long tradition of development economics and tries to link the early economics traditions with classical development economics from the 1940s onwards. It is shown that pre-Smithian economics has much in common with classical development economics. The book, thus, reviews the history of economic thought to highlight the developmental concerns in earlier economic discussions. It also talks about the second half of the twentieth century, when abstract and formal approaches displaced historically informed and institutionally nuanced discourses. The volume uses a good mix of theoretical and empirical analysis. The book should prove to be useful to both academics and policy-makers in opening up new ways of looking at economic development.

The book contains eight different essays. The organizational principle of the volume is mainly chronological and flows from general to the practical. In the first three chapters of the book, Erik and Sophus Reinert offer fascinating surveys of mercantilism, the Italian tradition associated with its city-states, and the later German economic tradition. In mercantilism, it is argued that development economics originated during the Renaissance and the poor nations of Europe copied the economic structure of rich nations to force the inhabitants into activities that yielded a better standard of living. The Italian tradition focused on the developments of the 1600s and 1700s and favoured the role of the state in leading and co-ordinating economic transition and progress. It has been argued that England's penetration of world markets in the sixteenth and seventeenth centuries occurred only with the help of royal charters as it gave certain privileges to specific sectors of the economy. As for the German economics tradition, it has always stressed on development economics in the sense that it focuses on technology and new knowledge, production, policies based on morality and on the context. Its approach always produced a theory where economic growth is both activity-specific and uneven.

In the next chapter, Mushtaq Khan surveys the

historical debate over capitalist transformation. He argues that as a precondition for efficient markets, development theories need a structure of stable property rights. Yet, property rights often fail to account for larger social transformation, which is necessary for further economic development. Hence, today, economists not only need to identify the institutions and interventions, but also need to understand the structure from which they arise.

Next, Jaime Ros reviews the impact of modern growth theory on pioneering development economists, while Amitava Dutt considers the role of international trade in early development economics. Historically, it has been shown that economic development requires co-ordination of education policy, industrial policy, innovation policy, trade policy, and competition policy. But Ros's survey points out that technology or its absence influences differences in rates of growth, wages, and welfare. Further, Amitava Dutt discusses the issue of international trade, which seems to have produced both factor-price equalization and factor-price polarization, depending on the context.

Following this, Alfredo Saad-Filho in Chapter 7 assesses Latin American structuralism and dependency theory. He reviewed two influential Latin American theories of development and underdevelopment. While the structuralists claimed that better economic policies could foster development, the dependency theorists argued that development was impossible under capitalism. However, both these theories ran out of steam as Latin America created a technological backwater by protecting old industries for small home markets, and these could not survive once opened to the world market.

Finally, in the last chapter of the book, Tamas Szentes discusses development in the history of economics. He outlines development economics as a separate field of study, born after World War II. However, he emphasizes that the issue of economic development was with all the writers of classical, Marxian, Keynesian and neoclassical schools. So after World War II, it was only the separation of "development economics" from the main body of economics.

Thus, the volume intends to contribute to the recognition of a long tradition of thought where economic growth and development are an uneven process. This is especially because of the diversity among humans, among firms and among technologies. It also demonstrates the cases of economics that can be traced back to centuries as one generation of economists influenced the next. For example, the emphasis on the role of manufacturing goes back to policies of the late 1400s and the late 1500s. Hence, the book focuses on continuity of thinking on economic development from pre-Smithian times to the classical development economics of the post-World War II era.

On the whole, *The Origin of Development Economics* is a good read for academics and throws some insights on the origins of economic development policies. It is a useful contribution to the understanding of history of development economics. The surveys are comprehensive and are an important resource of background information for researchers.

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China: Is Rapid Growth Sustainable? Edited by Ross Garnaut and Ligang Song. Canberra: Asia Pacific Press at the Australian National University, 2004. Pp. 249.

This publication is partly based on papers presented at the China Update Annual Conference held in Canberra, in October 2004, organized by China Economy and Business Program and the Asia Pacific School of Economics and Government of the Australian National University. The book discusses some important issues surrounding China's economic growth and transition, especially after China's post-WTO era. These include domestic marketization and market integration, further reform of state-owned enterprises (SOEs), regional disparity and poverty