

Elegant models of mismatch are developed but the premises on which they are based are open to doubt. Given that the correction of perceived labour market imbalances is an important plank of economic policy, it is worrying that economists cannot arrive at a unified view as to what is meant by imbalance and how it could be measured.

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CIGNO, ALESSANDRO, *Economics of the Family*, Oxford: Clarendon Press, 1991, ISBN 0-19-828709-7, £25.00 (hardback).

As its title announces, this book is about the application of economics to the analysis of the family. The author cheerfully admits in his introduction that the subject matter is biased towards areas that he is familiar with and the lack of a definite article in the title makes it clear that this is not a definitive work. Nevertheless, in ten tightly argued chapters the reader is led through a crisp survey of many of the relevant issues, including the marriage market, household size, home production, the cost and demand for children. The theoretical arguments are clear and built around a series of illustrative mathematical models, which use the standard Becker approach to this area. The predicted consequences for the family of changes in relative prices are then compared to available empirical evidence for Western Europe and North America. As such, this book provides an excellent survey of the state of economic research in this area and would be useful for practising economists or advanced students looking for an opening into an expanding field.

One disappointment is the almost old-fashioned feel to the underlying micro-economic theory. This is neoclassical analysis at its straightest and it would have been useful if the author had given more than a passing mention to the use of game theory in analysing intra-family distribution and to the pioneering work of Ben-Porath (1980) and Pollak (1985) on the application of transaction cost economics to the family.

Both these approaches would have been of use in by far the weakest section of the book—Chapter 10 on policy issues. Many of the most pressing social issues involve the family: the feminization of poverty,

the boundaries between the State's responsibilities and the family's for child care and the consequences of an ageing population are among the areas that need to be addressed by the economics of the family and they are not even touched upon here.

Finally, how does this book compare with the competition? One alternative that springs to mind, Bryant (1990), is the loser in terms of clarity and—all too common in this area—because of its almost total dependence on North American evidence. It is also pitched at a slightly lower level. But, while Cigno should be preferred by academics for its conciseness and succinct statements of the relevant models, I imagine students (especially undergraduates) would opt for Bryant as a text, because of its comprehensive approach.

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- POLLAK, R. A. (1985). 'A transactions cost approach to families and households'. *Journal of Economic Literature*, 23.
- BLAUG, M. (1990), *Economic Theories, True or False? (Essays in the History and Methodology of Economics)*, Aldershot: Edward Elgar, pp. vi + 250, £38.50 (hardback).

This volume is a collection of papers that have been published as journal articles or part of books. The work is divided into two major parts, the first half being concerned with economic methodology, and the second with economic thought.

In the first two chapters the author considers Marxian economics as a case study in the methodology of theory appraisal. His main criteria for the validity of a theory is first, its logical consistency, and second its predictive ability. The verdict is that in spite of its many faults, the

Marxian system has no serious logical inconsistencies, although Blaug emphasizes throughout that its predictions have been refuted. The third chapter provides a good survey of the relatively neglected subfield of radical economics which is examined again from the perspective of theory appraisal. As a conclusion, Blaug states that although he 'remains unpersuaded' by the radical approach, its quality is improving over time. Leaving aside the methodological aspect, the mere survey of this virtually unknown area is worthwhile in itself. The next chapter on the Keynesian revolution gives him the opportunity to suggest that Lakatosian methodology is the appropriate way of comprehending the nature of this revolution. The arguments employed are naturally controversial (eg. the question of compatibility between Keynesian and orthodox economics), but in any case it is a contribution to our understanding of this important issue. In the next chapter Blaug asserts that there is an inconsistency between Hicks' methodological views which imply that economic theory is an intellectual game, and the typically Hicksian idea (shared by many) that economics is the handmaiden of economic policy. The general relevance of this discussion is evident.

The second half of the book starts with a chapter on the forgotten German economist Von Thünen, whom Blaug considers to be one of the founders of spatial economics. I think that the following Chapter 7 should be read together with Chapter 10 for the simple reason that they both form part of Blaug's stance against what he calls Sraffian economics. In Chapter 7 he argues against the surplus interpretation (advocated by Sraffa's followers) of the classical economics, and equally in Chapter 10 against the 'New Palgrave Dictionary of Economics', on the grounds that it has been written from a Sraffian standpoint. Blaug admits the controversial character of his judgement since the 'New Palgrave' received generally good reviews. The first of the remaining two chapters, Chapter 8, deals with marginal cost pricing and is essentially an essay on the old problem of separating questions of equity from those of efficiency. The problem has serious methodological dimensions which are in fact connected to allegiance with various schools of economic thought. Chapter 9 is basically a critical biographical essay on N. Kaldor which argues that although

Kaldor failed to develop a general theory of the capitalist system, nevertheless he was one of the last economists to have a 'vision'.

As is often the case with Blaug's previous books, this work is likely to provoke discussion. The point of view that emerges is typically 'Blaugian' or to put it in other words the point of view of the moderate orthodoxy. The reader should keep in mind that Blaug's criticisms and conclusions in the work are not unconnected with the author's preference for a certain philosophy of science (ie. mainly Popperian with Lakatosian overtones) and that his assessments are dependent thereunto. Also the very procedure of judging economic theories according to universal epistemological criteria is itself not undisputed. Although this epistemological warning holds for all economic treatises, it is particularly apposite to this work. Despite its controversial aspects however, the book provides a very good survey of some important issues in the history and method of economics, which is supplemented by excellent reference sections. I believe that it will be quite useful for specialists and also for any economist who has a willingness to read about the history and method of economics and therefore the nature of the discipline.

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S. FOTHERGILL AND N. GUY, *Retreat from the Regions: Corporate Change and the Closure of Factories*, London: Jessica Kingsley and Regional Studies Association, 1991, pp. 192 (incl. index), £25.00 (hardcover) and £12.95 (paperback).

This is a well written and easy to read guide to regional policy, or rather the lack of it, in the UK during the Thatcher period. The authors achieve what many set out to do but very few achieve, in that they give supporting evidence for the gut feelings many have felt concerning regional policy.

An example of this is the criticism of regional policy in the 1960s, which supported inward investment. Yet as it turned out, many examples of such investment did not last very long: Corpach, the Invergordon Smelter, *et al.* They could indeed be seen as examples of regional policy failing but without them how much worse would the situation have been.

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