

in an endogenous growth context, which is distinct from conventional models of endogenous growth. However, J. S. Metcalfe does present a formal model. He proceeds from sectoral productivity growth in the firm associated with innovation and the proportion of firms sharing in innovation to a more aggregated level. He is at pains to stress the evolutionary nature of the growth process and even presents time series on the growth of U.S. manufacturing to support his case. There is no doubting the evolutionary nature of growth processes, but it seems that whatever the data in this essay show, the results could be interpreted as reflecting an evolutionary process. Nevertheless, this is an interesting and instructive essay, stressing also institutional and market forces rather than equilibrium outcomes.

The editors of this volume must have had a difficult task in selecting the essays because of the diverse institutionalist backgrounds of the contributors. As a result, the theme of the book is frequently breached, although some of the contributors give the impression that they were trying rather hard to fit their essay to the theme. Nevertheless, the book contains some important essays that may advance the cause of the study of institutional economics. Unfortunately, there are many typographical errors (some excusable, but not the misspelling of Ayres a half a dozen times), there are a number of obscure or convoluted sentences, and there are a few apparent omissions of a line or part of a line of text.

Ray Petridis
Murdoch University

REFERENCES

- Brown, Doug, ed. 1998. *Thorstein Veblen in the Twent-First Century: A Commemoration of The Theory of the Leisure Class (1899-1999)*. Cheltenham, UK and Northampton, MA, USA: Edward Elgar.
- Coats, A. W. 1993. *The Sociology and Professionalization of Economics: British and American Essays, Vol. II*. London and New York: Routledge.
- Groenewegen, J. and J. Vromen, eds. 1999. *Institutions and the Evolution of Capitalism: Implications of Evolutionary Economics*. Cheltenham, UK and Northampton, MA: Edward Elgar.

Gary Mongiovi and Fabio Petri, eds., *Value, Distribution and Capital: Essays in Honour of Pierangelo Garegnani* (London and New York: Routledge, 1999) pp. xi, 364, \$75. ISBN 0 415 14277 6.

Pierangelo Garegnani is internationally known as a leading exponent of that school of thought taking its clue from Piero Sraffa's 1951 and 1960 seminal works and is referred to in the literature as "Sraffian" or "NeoRicardian" economics (or as the "surplus approach to classical political economy"). Garegnani started publishing more than forty years ago (his first main publication is, in fact, Garegnani 1960, an elaboration of his unpublished Cambridge Ph.D. dissertation), and he is still an active participant in contemporary debates. His contributions range from the domain of economic analysis (particularly in the years of the so-called

Cambridge controversies on the theory of capital) to that of historical and methodological inquiry. The scope and depth of his research interests are well represented by the essays collected in the present volume, edited by Gary Mongiovi and Fabio Petri, to celebrate Garegnani's achievements in the occasion of his sixty-fifth birthday. The volume consists of a general Introduction and sixteen chapters divided into five parts labeled "The Critique of Neoclassical Theory," "Classical Political Economy and its Relation to Marginalism," "Accumulation and Technical Change in the Light of the Surplus Approach," "Issues in the Theory of Production" and "The Surplus Approach and Economic Policy" respectively. The list of Garegnani's publications, and both Name and Subject indexes, round off the book. Contributors to this *festschrift* are a host of distinguished scholars such as John Eatwell, Heinz D. Kurz, Edward J. Nell, Neri Salvadori, Paul A. Samuelson, Bertram Schefold, and Ian Steedman, to mention just a few.

The various chapters are markedly heterogeneous both in content and style. Readers may find, among other things, the following items.

(1) An extensive restatement and an attempt at clarification of the logic, content, and historical roots of the criticisms of neoclassical models of general economic equilibrium, both of the traditional long-period variety and of the modern intertemporal ones.

(2) Broad historical surveys on the intended empirical content of classical and neoclassical short-run prices, on the differences between the classical and neoclassical conceptions of economic rationality and human behavior, on the notion of use value from Aristotle to the Classics, and on the concept of subsistence wage within pre-Smithian political economy.

(3) Detailed rational reconstructions concerning the problem of the multiple interpretations of Ricardo's theory of wages and the evolution of the classical concept of diminishing extensive returns of land into the marginalistic theory of diminishing intensive returns of all factors of production in the works of two German authors, F. B. W. Hermann and J. H. von Thünen.

(4) Highly technical pieces dealing with transferable machines characterized by uniform efficiency paths and with vertical integration and reduction to dated quantities of labor.

(5) Critical examinations of specific issues in contemporary economic theory, such as the comparison of new and old neoclassical growth theories and the investigation of the role of the government sector in the post-Keynesian theory of growth and personal distribution, as well as a critical discussion of themes related to contemporary economic policy.

Most of the papers collected in this volume share a common theoretical background and substantial agreement with Garegnani's main theses. Yet some dissenting voices, such as those of Samuelson ("The special thing I learned from Sraffa") and Nell ("Wicksell after Sraffa: "capital arbitrage" and "normal" rates of growth, interest and profits"), have the possibility to be heard.

The research project, initiated by Sraffa and carried on unceasingly by Garegnani, aims at giving new life to classical economics. (Needless to say, "what the Classics really meant" is still an unsettled subject: analytical and historiographical debates among supporters of different interpretations of classical economics are still alive and apparently far from convergence.) Such a project

has prompted Garegnani as well as many of the scholars inspired by his work to investigate three interrelated topics, each of which finds its proper place in the course of the present volume:

- (i) the critique of the orthodox neoclassical theory,
- (ii) the rescue from oblivion and clarification of the logical structure of the classical theory of value and distribution “submerged and forgotten” since the advent of neoclassical theory, and
- (iii) the extension of the analytical potentials of classical economics beyond the traditional fields of value, production, and distribution.

In particular, it appears that many contributors to this volume are focusing their innovative efforts on the hitherto neglected side of their basic economic model, the demand side. As is well known, in Sraffa’s *Production of Commodities* the quantities of the various commodities produced are exogenously given and invariant for most of the book. It is not much of an overstatement to argue that to elaborate analytical models explaining the genesis of Sraffa’s quantities and the causes and consequences of their dynamics is a task worth accomplishing for those sympathetic with the Sraffa-Garegnani project. It is thus something like a lost occasion that no paper attempts to treat formally questions requiring the theorists working within Sraffa’s tradition to reflect seriously on the heuristic potential and limits to the long-period method (see Kurz and Salvadori 1995, chap. 12.)

This volume provides a vivid and multi-sided picture of the ongoing debate within Sraffian economics. It is worth reading for all those interested in historiographical matters concerning the interpretation of classical economics, as well as for those willing to check the relevance of the analytical categories and methodology forged by the classical economists for an understanding of contemporary economies.

Rodolfo Signorino
Università di Napoli Federico II

REFERENCES

- Garegnani, Pierangelo. 1960. *Il Capitale nelle Teorie della Distribuzione*. Milano: Giuffrè.
- Kurz, Heinz D. and Neri Salvadori. 1995. *Theory of Production: A Long-Period Analysis*. Cambridge: Cambridge University Press.
- Sraffa, Piero. 1951. “Introduction to Vol. I of David Ricardo. 1951-1973.” *The Works and Correspondence of David Ricardo*, edited by Piero Sraffa with the collaboration of Maurice H. Dobb. Cambridge: Cambridge University Press.
- . 1960. *Production of Commodities by Means of Commodities: Prelude to a Critique of Economic Theory*. Cambridge: Cambridge University Press.

Mark Perlman and Charles R. McCann Jr., *The Pillars of Economic Understanding: Factors and Markets* (Ann Arbor: The University of Michigan Press, 2000) pp. xvii, 362, \$79.50. ISBN 0 472 11110 8.

This is a “companion” to the authors’ earlier volume: *The Pillars of Economic Understanding: Ideas and Traditions* (1998), which was reviewed in this journal