

plugging the gap between investment and saving is an important area of research. A more detailed analysis of the 'crowding-out' hypothesis in India is also missing. Despite these criticisms, I should be inclined to feel that the authors of this book have investigated an important area of research which merit attention from the teachers and students of economic growth and development. It should also be useful to policy makers in India and other developing countries.

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*Transatlantic Sport: The Comparative Economics of North American and European Sports.* Edited by PESTANA BARROS (CARLOS), IBRAHIMO (MURADALI) and SZYMANSKI (STEFAN). (Aldershot and Lyme, NH: Edward Elgar, 2002. Pp. xi+222. £55.00 hardback. ISBN 1 84064 947 X.)

This book collects nine contributions on the economics of sport which attempt to highlight both the similarities and differences in North American and European models of sport as well as their implications for a number of economic, policy and social issues. The papers come from a conference held in Lisbon in November 2000 that brought together a group of North American and European researchers (mostly economists) who share an interest in the comparative economics of sports.

As the editors indicate in their opening sentences, for most people economics and sports may appear to be uneasy companions, at least at first glance. Yet, it should take a good social scientist not too long to realise that sports settings offer many unique opportunities for theoretical and empirical study of a number of important matters in economics and other social sciences. Matters that would be difficult, if not impossible, to study in other settings. Also, sports occupy an important place in the lives of most people and represent a very large share of the time that is devoted to leisure in modern societies.

Thus, the theme of the book is of genuine interest to a broad audience. Moreover, there is a very stark contrast between the United States and European models that contributes to increasing the basic interest. In the United States the organisation of sports is such that: (i) teams are organised into hermetically sealed leagues so that entry at the level of an individual team is not possible without consent, (ii) restraints are extensive in the player labour market (e.g., draft rules, roster limits, salary caps, etc) and player contracts are negotiated on the basis of collective bargaining, (iii) on the product market, teams have entered into collective agreements that restrict the scope of economic competition (e.g., revenue sharing, joint merchandising, collective sale of broadcasting rights, etc). These and other restrictions clearly would not be admissible if competition between teams in the sports leagues was treated by the US government in the same way as competition among firms in other industries.

From an economics perspective, this antitrust leniency in the United States is difficult to explain. For one, there is a puzzling lack of evidence supporting the ideas behind these practices. Namely, there has been little analysis of the idea that sporting contests are not interesting unless their outcome is entirely uncertain, that uncertainty is strictly increasing in the equality of the distribution of economic

resources, and that this equality can be best achieved by limiting the role of economic power in hiring players and by equalising this power through income redistribution. Although these concepts appear intuitive at first, they are far from being supported theoretically and/or empirically.

By and large, the European model of sport is entirely different. Leagues engage in far fewer and much softer restrictive practices both on the labour and product markets. Also, the distinct system of promotion and relegation means that leagues are not hermetically closed and that the set of incentives is very different.

A thorough introduction by the editors offers an excellent survey of the existing literature in the large range of potential topics, issues, and questions that deal with these and other differences. It also includes an extensive list of valuable references for anyone interested in the rich set of opportunities that sports settings have already offered in the last few decades to many researchers.

The nine chapters in the book are then divided into three areas: public policy, economic theory, and cost-benefit analysis. In the public policy area, the three contributions are concerned with the present and future of regulation of team sports in Europe and with the dichotomy between the US profit-maximising model and the European 'utility' maximising model largely based on an amateur tradition. In the economic theory area, a theoretical chapter considers mechanisms to maintain competitive balance while an empirical chapter is concerned with the interesting issue of how to measure competitive balance in a dynamic sense. Lastly, four cost-benefit analyses are, somewhat surprisingly, concerned with themes that have little to do with similarities and differences in the United States and European models of sport: the (negligible) economic impact of the Los Angeles and Atlanta Olympic games, the economic and non-economic benefits of major sporting events to society, the allocation of World Cup matches to cities, and the value of contributions made by voluntary sports managers.

The chapters differ not only in style and methodology, but also in quality. However, they are similar in that they are perfectly accessible to a broad audience of those interested in economics, sports, and the economics of sports. Yet, this broad accessibility is not without a cost. Many scholars will find most of the chapters excessively descriptive.

While the book succeeds at being interesting and accessible, it fails in a more important direction. *Transatlantic Sport* seems to be exclusively directed to sports economists and little effort is made to attract scholars and researchers in economics, law, public policy, and other social sciences. In this sense, I doubt that economists and social scientists with little interest in sports will be attracted to sports settings because of this book. However, the unusual wealth and access to data and the great variety in market and non-market settings that may be suitable to study important aspects of the economic approach to human behaviour should be attractive to virtually all social scientists.

In recent years, an important strand of economic literature has used sport data to test economic theories that involve, for instance, equilibrium concepts in game theory (Chiappori *et al.*, 2002; Palacios-Huerta, 2003; Walker and Wooders, 2001), corruption (Duggan and Levitt, 2002), discrimination (Szymanski, 2000), endogenous preferences (Garicano *et al.*, 2001), decision-making anomalies (Romer,

2002), and others. What is entirely distinctive from these and other recent papers is that they show how sports settings do offer unique opportunities to advance our state of knowledge in economics and other social sciences in important directions. I felt that the lack of motivation in this direction was the biggest shortcoming of the book. In this sense, one should perhaps take this book as an invitation to continue to realise the promise that the analysis of sports settings and data offer for the social sciences in general and for economics in particular.

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*Advanced Macroeconomics*. By MINFORD (PATRICK) and PEEL (DAVID). (Aldershot and Lyme, NH: Edward Elgar, 2002. Pp. xii+548. £75.00 hardback. ISBN 1 84064 090 1.)

Minford and Peel are experienced practitioners in macroeconomics and this text book draws on their familiarity with the subject. Sub-titled "a primer", the book aims at the post-graduate or third year undergraduate student to give them the grounding needed to go on to read the technical papers found in journals.

The book starts with a 'succinct introduction' to macroeconomics for those who have not studied the subject before, although the going would be quite tough for anyone who was really unfamiliar with the subject. The analysis here and throughout the book is helped by some excellent 'boxes' which carefully go through some of the more tedious algebraic steps and will be a boon to lecturers who do not wish to waste valuable office hours showing how to rearrange equations to the mathematically under-confident. Chapter 2 provides a quite dense mathematical derivation of models and compares different techniques for their solution and shows the 'primer' ideal at its best. The final chapter in the first part of the book looks at signal extraction, the Lucas islands model and variations thereof.

The following ten chapters then consider various applications of the rational expectations approach presented in the first three chapters. The analysis in these chapters varies between quite careful derivation of mathematical results and more