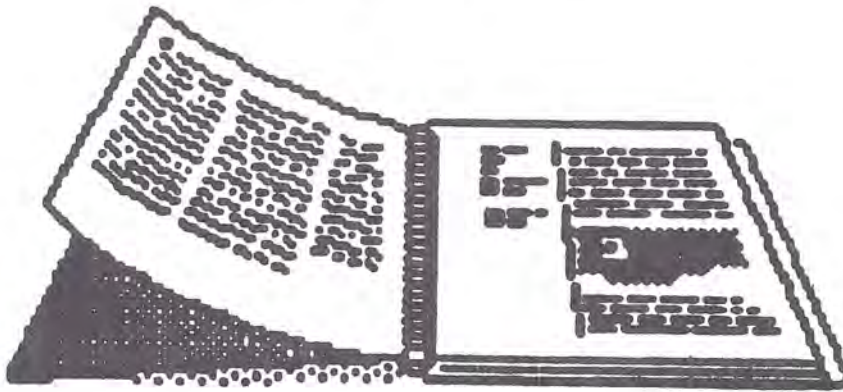




Book Reviews

by Frank Miele



Title: Who Benefits from State and Local Economic Development Policies?

Author: Timothy J. Bartik,
Upjohn Institute, Michigan, U.S.A.,
August 1991

State and local economic development programs have grown enormously in recent years. But critics question the effectiveness of such programs. Do they attract new jobs? If so, do these jobs provide benefits to the unemployed, or just landowners? Are these programs a zero-sum game, helping one area at the expense of another?

The author provides the most comprehensive review available on the recent evidence that state and local policies such as taxes and public services can affect job growth. Bartik then presents new empirical evidence that job growth creates many long term effects - lower unemployment, higher labour force participation, higher real estate prices, and better occupational opportunities. He shows that earnings gained to disadvantaged groups outweigh the increased real estate values for property owners. Further, Bartik argues that regional

competition for jobs may benefit the nation.

The research undertaken by Bartik presents a comprehensive and sophisticated analysis on the issue of benefits of economic development policies. The book helps fill a large void in Economic development literature. It is one of the few studies that includes empirical estimation of local economic consequences. Much of the literature in this field is anecdotal and impressionistic, so the hard, first hand evidence that Bartik brings to bear is welcomed, indeed.

This book would be of interest to Economic Development Professionals, Economists, Urban Planners, Political Scientists, and Sociologists.

Title: Future Perfect

Author: Stanley M. Davis
New York, Edison-Wellesley
Publishing Inc., 1989

Stanley M. Davis in his book "Future Perfect" captures what is to be the new way of managing and developing organizations in the coming decades.

His analysis and contrast between the industrial economy managers, who consider time, space, and matter as constraints; and the new economy where managers will come to think of them as resources, stresses the challenge of the managerial transformation from an industrial mindset to a fundamentally new one, just as the scientific shift from the mechanistic age of Newton to the wholistic age of Einstein affected notions of what was meant by time, space, and matter.

Davis explains that before managers move into new organization models of the new economy, they should be prepared to hold opposites in their vision simultaneously.

To businesses, resources are generally thought of as assets that are used directly or indirectly to create products and services. In the industrial economy, resources are largely tangible matter; however, in the new economy, they are increasingly intangible and nonmaterial, though hardly immaterial. For example, resources are generally finite, but information is infinite, and the greatest value-added in today's economy. Whereas hydrocarbons were the major fuel for industrial economy, information is the major fuel that provides energy for the new economy. Furthermore, knowledge is the principal product produced by this fuel.

Managers who can deliver their product and services any time, any place, relative to their competition, have a decided advantage.

Davis analyzes Federal Express as an example of a corporation which has become a success story of the new economy. The company's visionary leadership realized that treating time, space, and no-matter as resources gave them a definite competitive advantage. This required a mindset that starts and ends with the whole, that doesn't treat parts in isolation or as incomplete pieces of larger puzzles, that emphasizes relationships, and that understands parts in their relationship to one another and to the whole.

The book has powerful new ideas which I have enjoyed reading. I strongly recommend that this book be part of the library of any manager who intends to stimulate his new "economy" approach to his/her organization.