ternative zu Tiroles dar, insbesondere wenn man bedenkt, dass es bedeutend günstiger ist.

Bester gelingt es durch seinen knappen Stil, enorm viel Material zu verarbeiten. Er verliert einfach kein Wort zuviel. Dies ist sehr angenehm für eine Leserin, die hinreichend motiviert ist z. B. nachzuvollziehen, dass ‘die Maximierung des in (2.16) beschriebenen Gewinns unter der Nebenbedingung (2.19) die Lösung (2.20) ergibt’ (S. 33). Ich befürchte aber, dass es einige Studierende gibt, die vom Sinn einer solchen Übung weniger überzeugt sind. Tirole wurde häufig vorgeworfen, sein Buch sei viel zu theorielastig und die Verbindung zu praktischen Problemen eher dürftig. Diese Kritik trifft auf Besters Lehrbuch noch mehr zu. Ich kann mir nicht vorstellen, dass eine Marketingstudentin mit Interesse an strategischen Wettbewerbsproblemen ihre Freude an diesem Buch hat. Für sie ist ein Management Strategy Lehrbuch wie z. B. das von Besanko, Dranove und Shanley sicher die bessere Wahl. Ähnlich wird es einem Praktiker in einer Wettbewerbskommission ergehen, was besonders schade ist, da gerade dort das Manko an moderner Methodenkenntnis am grössten ist.

Zusammenfassen möchte ich wie folgt: Ist man mit Besters Stoffauswahl zufrieden und kann man die Studierenden selbst hinreichend motivieren, dann ist das vorliegende Lehrbuch ein hervorragendes Begleitbuch zu einer modernen Vorlesung der Industrieökonomik. Sucht man hingegen einen Begleittext, in dem Studenten die Motivation und den Bezug zur Praxis finden, dann ist es eher weniger geeignet.

LITERATUR

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Coricelli, Fabrizio, Massimo di Matteo and Frank Hahn (eds.) (1998). *New Theories in Growth and Development*. Houndmills/Basingstoke/Hampshire/ London: Macmillan Press Ltd. 304 pp. £ 50.00. ISBN 0-333-68229-7.

The presented omnibus volume originated from an International Summer School of the Department of Economics, University of Siena and CNR that was held in July 1994 and treated issues concerning questions of economic growth and development.

The book's aim is to combine the more formalized growth theory with the development theory focusing on institutional and policy aspects, and to determine so the driving forces of successful (in the sense of welfare maximizing) development of transition and less developed countries. It is divided into three parts: (I) Theories, (II) Growth and Development and (III) Economic Policies, the Role of the State, and Growth. Each part is sub-divided into several chapters.

After an introducing chapter written by the editors, part I begins with 'A Schumpeterian Perspective on Growth and Competition' (Ph. Aghion, P. Howitt) where a model of a revised Schumpeterian approach to endogenous growth is presented. The authors focus on the relationship between competition and growth but emphasize that – aside from competition – there may exist more structural aspects of Schumpeterian growth theory not subject to the analysis in this contribution. A basic general Schumpeterian model, based on Aghion and Howitt (1992), is developed. Then, the authors show how relaxing the strict assumptions of the model in different directions can produce different explanations for why a more competitive market structure might lead to a higher rate of growth. In contrast to this optimizing equilibrium model, chapter 3 analyzes a sequential out-of-equilibrium model and is called: 'Innovation and Growth: The Relationship between Short- and Long-term Properties of Processes of Economic Change' (M. Amendola, J. L. Gaffard). The authors criticize that a conventional equilibrium analysis is not appropriate to investigate real issues that arise within transition processes and entail specific problems (namely coordination problems or complementarities). Instead, they use a sequential decision process with the consequence that instantaneous price adjustments no longer allow markets to clear automatically. The private agents use periodic price-adjustment rules to analyze arising co-ordination problems with. Calculating different specific rules leads to different evolutionary paths of the economy which may be used as heuristic tools. The last chapter in part I reads 'The 'New' Growth Theory: Old Wine in New Goatskins' (H. D. Kurz, N. Salvadori) and offers a review of the 'linear' models of endogenous growth by Rebelo (1991) as well as King and Rebelo (1990), of the human capital accumulation model by Lucas (1988) and of the R&D model by Romer (1986). The authors criticize that most of these theories do not bring out any real new findings for development economists but preserve several of the unsatisfactory features of the earlier neoclassical growth models, e. g., homogeneous individuals.

Part II contains contributions that deal with the relation, or lack of it, between development issues and growth theories. It begins with chapter 5: 'The Contributions of Endogenous Growth Theory to the Analysis of Development Problems: An Assessment' (P. Bardhan) where the author discusses possible contributions of models with endogenous technological change, imperfect competition as well as convergence processes for understanding development issues. The author provides a critical view on the usefulness of the formalized endogenous growth models for development economists and claims that future models should not only make efforts concerning the formal part of model building but also explain those issues that are less amenable to formalization, e. g., organizational, institutional and historical conditions. Chapter 6, 'Development and Theories of Endogenous Growth' (T. N. Srinivasan), also deals with the connections between endogenous and development theories, thereby emphasizing that some of the novelties in growth theory like accumulation of human and physical capital, international trade, technological change and investment already were central to early development economists. However, although endogenous growth theory has made big progress in justifying governmental interventions from a theoretical point of view, the author is not contented with the outcomes of combining theory and empirical evidence. In chapter 7, 'Modern Economic (Endogenous) Growth and Development' (M. Syrquin), the role of structural change in the growth process is analyzed thus concluding that endogenous growth theory together with its empirical implementation could become highly relevant for development economists. This requires the application of the theoretically made progresses also on the existing stylized facts of development issues. The following chapter 8, 'Growth and Development Theories' (L. Taylor), also deals with the interconnection of both theories thus reconstructing a map of the existing growth theories. The author emphasizes a lack of political economy issues within endogenous growth theory that are central for development processes. Hence, fundamental aspects of development issues are neglected within growth theory.

Part III evaluates the influence of economic policy on growth thus focusing on empirical evidence, possible co-ordination failures and the impacts of different development strategies on growth in Latin America. It starts with chapter 9, 'Economic Policies, Economic Shocks and Economic Growth' (W. Easterly), where the author firstly discusses the importance of initial conditions, random shocks and policy changes in affecting long-run growth. This is followed by an empirical analysis which makes clear that the performance of a country is influenced not only by policy matters, but also by favorable exogenous shocks. Chapter 10, 'Growth, Debt and Economic Transformation: The Capital Flight Problem' (G. A. Calvo), investigates a model that allows for an economy to remain in low-output equilibria as a result of the transformation process and not as a consequence of bad policy. If the private individuals expect high rates of distortionary taxes in the future and therefore move capital abroad, controls on capital mobility may have positive welfare effects. At the same time – depending on the initial level of government debt – the model can yield cases in which welfare declines if the capital flows are controlled. The model may be applied on former centrally-planned economies as well as on Latin America. Chapter 11, 'Economic Growth under Alternative Development Strategies: Latin America from the 1940s to the 1990s' (A. Solimano), concludes the book. The development strategies mentioned are state dirigism and import substitution (going along with high growth rates and large inefficiencies) that nowadays are changed by a phase of market liberalization (together with low growth rates but an increase in efficiency thus preparing a way for ongoing growth in the future). One key issue is to determine the necessity of high transition costs for increasing the future growth potential of a transition economy.

The aim of F. Coricelli, M. di Matteo and F. Hahn with the omnibus volume is 'to stimulate intersections between the two strands of economic literature, growth and development theories' (S. 1). Thereby the point of view is clear: What does growth theory contribute to a better understanding of the performance of development and transition countries? What about the empirical evidence of growth theory for evolving economies? In contrast to most existing books treating growth and development issues, the focal point is endogenous growth theory. Concerning the degree of formalization and the conclusions drawn with reference to the usefulness of endogenous growth theory, the chapters are not homogeneous. Hence, readers of this omnibus volume with very different backgrounds may find interesting contributions. With the division into three parts the structure of the book is very clear and is rounded off by an index at the end of the book. What might be criticized is a lack of environmental policy aspects within growing and developing countries.

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Franses, Philip Hans (1998). *Time Series Models for Business and Economic Forecasting*. Cambridge/New York/Melbourne: Cambridge University Press. 280 pp. £ 15.95. ISBN 0-521-58641-0.

The book under review is an introductory text on time series models for business and economic forecasting. Ten chapters discuss the fundamentals of forecasting and touch upon some of the recent approaches and techniques reported in the research journals like *International Journal of Forecasting, Journal of Applied Econometrics, Journal of Time Series Analysis*, etc.

In the introduction the author discusses the scope of the book especially in the context of presence of several other texts on time series. The common features of business and economic time series such as trends, seasonality, aberrant observations, conditionally varying variance, and non-linearity with the help of several examples are discussed in the second chapter.

The third chapter introduces some important concepts in univariate time series modeling and forecasting. Topics discussed include model identification, model selection and forecasting. Keeping the technicality at a moderate level the author explains auto regressive moving average models, auto correlation functions, estimation, diagnostic measures, model selection and forecasting. The concepts are treated within the context of non-seasonal linear and non-trending univariate time series with constant variance.

A discussion on common stochastic trends, stationarity and different tests of unit roots is presented in chapter 4. Trends in ARMA type time series models are discussed