

BOOK REVIEWS**THE ORGANIZATION OF CITIES: INITIATIVE, ORDINARY LIFE, AND THE GOOD LIFE****J.R. Miron**

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More than half of the world population lives nowadays in cities, and this trend is expected to continue. Urban areas generate more than 80 percent of global income, and cities are widely recognized as the engines of economic growth. Consequently, our quality of life, from access to job opportunities and public amenities, as well as private goods and services, greatly depends on what happens in cities, and on how urban markets function. However, our understanding of urban markets, and cities in general, is still limited. Improving this understanding is a fundamental and pressing challenge for both academic and policy makers alike. In this context, *The Organization of Cities*, by John R. Miron, provides a fresh look at what we know, and what we still need to learn, about urban markets and the urban economy.

This is a book about competitive markets in an urban economy. However, the book includes more than a simple analysis of markets. The objective of the book, in Miron's words, is "to explore the role of competitive markets in the organization of liberal cities using a modelling approach" (page xiv, Preface). To do so, the book nicely combines historical facts, theory, and critical discussion. Miron begins, in the preface of his book, presenting a list of the *faves*: 21 authors that he considers as core in the thinking about the urban economy, including names like Johan Heinrich von Thünen, Alfred Marshall, Max Weber, John Quincy Stewart, Charles Mill Tiebout, and William Alonso, among others, and discusses their contribution, the evolution of the literature since, and current research gaps from the perspective of three distinct but complementary subdisciplines: urban geography, urban economics, and urban sociology.

In part I, Miron sets some background ideas, discussing the origin, actors and functions of the state, focusing on its role in enabling markets and the working of the urban economy, as well as the emergence of commercial cities. In the core of the book (parts II, III, IV, and V), Miron critically reviews several central models useful to understand the urban economy. In part II, he starts by revisiting what is a standard (static) model of an urban economy: The Mills model. Being the backbone of the theoretical analysis done throughout the book, Miron tries to simplify the presentation of the Mills model, to better understand its implications, and focusing on the assumptions made about the role of the state. In part III, Miron focuses on what he considers the core of the Mills model: the notion of export and factor markets being in equilibrium. In part IV, he moves into models on real estate and fixed-capital markets, while in part V, he focuses on specific topics like transportation and land-use planning. The review of models finishes with the Herbert–Stevens and the Ripper–Varaiya models (part VI). Each model under consideration is presented in a simple and clear way, looking in detail at the assumptions made, and focusing on the dynamics, outcomes, and implications. The presentation of the models is often backed with a table of equations, graphical representations, and numerical examples. Miron concludes his book listing the main ideas underlying his analysis, main questions addressed, and main questions still requiring more thought. The careful and painstaking research done by Miron is evident in the list of references, which includes more than 800 works. The book also includes a nice and useful glossary and index.

As Miron puts it in the preface of the book, his analysis builds directly on Adam Smith's idea about the relevance of the division of labor for the well-functioning of an economy, and how cities allow for markets to emerge and materialize specialization and the division of labor. Yet, Miron's conception of an urban economy represents an innovative approach to understanding urban markets and the role played by different actors in those markets. In this regard, probably, the main contribution made by the book is the analysis of an urban economy, and the consequent review of core models in urban economics, from the perspective of markets emerging from decisions made by the state in its process

of decentralization and entitlement of other (economic) agents. In this perspective, Miron departs from thinking about the role of the state in the operation of urban markets and the impact of policy tools. An underlying character of the book is the thinking about an *all-encompassing government* (in which all decisions are made by the state), who eventually decentralizes parts of its functions and entitles other actors in the performance of economic activity. Subsequently, when wondering about the urban economy, Miron is asking how and why governments encourage an urban economy, or in other words, how decentralization and entitlement enable an urban economy. This process of decentralization naturally leads to competitive (urban) markets, what the book is mainly about.

As any work of this magnitude, the book has some limitations. One of these relates to the context in mind. Throughout the book, Miron's perception of a city seems to fit more with the case of advanced countries, with relatively well-functioning states and markets. Urban realities and dynamics in developing countries can be quite different. Of relevance for the discussion of the book, cities in poorer countries suffer from great deficiencies of governance, property rights are not properly defined, and markets can be far from competitive. Thinking about urban economies in developing countries requires complementary, or even alternative, theoretical tools to the ones discussed in the book.

All in all, in his book, Miron does a rich review of our understanding on the organizations of cities, and in particular, on the interplay between governance and markets in configuring the urban economy. Although the book can be seen as mainly derived from (urban) economics, the author borrows from different fields, including geography, sociology, history, and political science. As a result, the book provides an extraordinarily rich work by John Miron on the organization of cities and the urban economy, providing information about key authors in the literature, historical backgrounds on the origin of the state and cities, detailed explanation of key theoretical models, and a critical discussion of each of these models. As such, the book represents excellent material for anyone interested in the organization of cities, and on the role of the state in the development of the urban economy. At the same time, the book also represents an invitation for further and alternative research that may be of great value to policy makers concerned with the urban economy.

David Castells-Quintana

*Department of Applied Economics,
Universitat Autònoma de Barcelona*

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CENTRAL ASIA AND THE SILK ROAD: ECONOMIC RISE AND DECLINE OVER SEVERAL MILLENNIA

S. Barisitz

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The history of the Silk Road that links the East (the Orient, in particular China) and the West (the Occident, in particular the Mediterranean area) is a fascinating topic in premodern economic history. The Road is not an actual road but rather a network of potential geographical connections and its efficacy to function as a mode for transcontinental trade to a large extent depends on heterogeneous and changing institutional conditions. Clearly then, the Road can only truly connect when each of its heterogeneous network elements is reasonably safe and stable. An interesting aspect of the Road is that its history spans so many different cultures, civilizations, and empires. Therefore, changing conditions of time and place are associated with periods in which the Road is a stronger trade route and periods of relative decline. It continued reemergence time and again testifies the importance of historic conditions for international trade that echoes in the recent Chinese plans to create a China-centered trading network (the One Road, One Belt initiative) that aims to increase connectivity of the Eurasian countries.

Central Asia and the Silk Road is organized in five chapters. The introductory chapter explains the study's aim to achieve a synthetic economic approach to the existing literature. The study essentially provides a summary narrative

with lots of interesting details and potentially a good basis to put different phases of “globalization” along the Trade Route into a comparative perspective. Stephan Barisitz focusses on the Central Asian trade route and although this comes at the expense of some neglect of, for example, maritime connections that at times offered more reliable and quicker alternatives, this choice helps him to put the Silk Road’s cultural, military, and economic roots into perspective. So, the choice of geographical focus is useful especially since the diversity along the Silk Road track is already an impressive topic. Barisitz shows himself to be a disbeliever in spontaneously emerging market-intermediated cooperation and believes that trade follows the flag: trade creation along the Silk Road in his view is a by-product of political expansion and conquest.

Chapter 2 describes the early traces of the Silk Road, illustrating how building blocks of the transcontinental route date back to Alexander the Great and the Hellenistic civilizations. Around the time of Christ, the Silk Road links the Roman and Chinese empires. This chapter is relatively short, which is understandable and acceptable for the period of the Bronze and Iron ages, but less appropriate for the period of the Roman Empire where much more detailed historical sources exist. Moreover, the latter period also brings a characteristic rise and fall of the Silk Road that could have deserved more attention.

Chapter 3 covers two major busts and booms of the Silk Road: under the aegis of the newly emerging Caliphate (roughly the 8th and 9th centuries) and the Mongol Empire (13th century). This is a long chapter and it is unclear why the two “heydays” are not covered in separate chapters. The common theme, if any, in these two episodes is that the Silk Road during the trade boom periods capably transported not only goods but also knowledge (including the major innovations of the times such as paper money, book printing, the abacus, and gun powder). The transmission mechanism of the Silk Road was not only beneficial: the Black Death was transmitted in a bit more than a decade from the East to the West. The depopulation due to the pest destroyed the Silk Road’s hinterland and the belt of economic centers that it linked up.

Chapter 4 is again a long chapter that mainly focusses on explaining the decline of the Silk Road focusing on two major themes: the shift in economic gravity toward Europe (and its transatlantic trade) and the colonization of Central Asia by its great neighbors in the 19th century. Barisitz sees the shift of the world economy’s center toward Europe in a sense as being endogenously determined. Fragmentation of jurisdictions and increased uncertainty along the Silk Road so to say force the big discoveries of the America’s and the new trade routes around the African Cape. The overland Silk Road thus becomes less attractive for traders and conquering it becomes less profitable for countries and kings. At the same time, paradoxically, Central Asia becomes easier to conquer due to the revolution in (gun) firing power that further undercuts the traditional nomadic power base and results in colonization of Eurasian countries by China, Russia, and the British Empire.

Central Asia and the Silk Road thus ends before two major geoeconomic changes that further limited the economic attractiveness of the Silk Road: the opening of the Suez Canal that decreased the utility of overland trade and the creation of the Soviet Union that instituted diplomatic barriers to Eurasian trade with China during the Cold War. The return of the idea of a modern Silk Road, of course, reflects political Détente and the return of China as a potential hegemon, but, in particular, the vision of a new Silk Road testifies of the strength of old historical trading patterns.

In the final chapter, Barisitz provides lessons. It appears not to be easy to discuss all findings of the wide and detailed narrative of the Silk Road experience. The key finding regarding the Silk Road is that a politically stable environment along all its constituents’ parts (transcontinental stability) is necessary for strong trade to emerge along this route. A second important finding is the pivotal role of China for the success of the Silk Road, as well as the importance of political factors that determine the extent of Chinese opposition or support for the Road. These lessons from 70 centuries seem to be relevant for the near future as well.

Peter A.G. van Bergeijk

*International Institute of Social Studies,
Erasmus University, The Netherlands*