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BOOK REVIEWS

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Roberta Capello, Agnieszka Olechnicka, and Grzegorz Gorzelak, eds. 2012. *Universities, Cities, and Regions: Loci for Knowledge and Innovation Creation*. Routledge, Taylor & Francis Group: London, UK and New York, NY, USA. ISBN: 9781138903753, 376 pp., \$55.95 (paperback).

Reviewed by *Elvira Uyarra*, University of Manchester

Much policy and scholarly attention has been paid to the role universities play as generators of new knowledge that can potentially contribute to wider societal benefit. In this context, regions and cities are perceived as important loci where such knowledge is produced, but also as key vectors shaping the nature of knowledge through learning processes aided by spatial proximity.

However, academic research in this area is mainly informed by empirical studies undertaken in the U.S. and Western Europe, and little evidence exists on the nature of academic entrepreneurship and university-industry links in other national and regional contexts. This edited volume contributes to addressing this gap by giving an added perspective on the role of universities in Central European regions and cities.

The book is organized into three parts. The first part sets out the broad picture by exploring a number of key themes at the global scale. For instance, Chapter 1 by *Roberta Capello* analyses the role of science-based activities in developing innovation capacities in European regions. *John Goddard*, *Louse Kempton* and *Paul Vallance* explore the rise of the civic university and the challenges for civic leadership development with reference to the cases of the UK and the U.S. in Chapter 2. In Chapter 3, *Malgorzata Runiewicz-Wardyn* undertakes a Europe-wide analysis on the contribution of university R&D and business R&D to knowledge creation, and highlights the relatively weak performance of regions in new Member States (EU10) compared with EU25 regions. Chapter 4 by *Suntje Schmidt* explores the multiple roles that universities play in innovation systems beyond knowledge providers, illustrated by cases in the biotech sector. *Agnieszka Olechnicka* examines the influence of proximity in building links between universities and businesses in Poland in Chapter 5, drawing upon evidence from co-publications and collaborative R&D projects. Chapter 6 by *Sascha Brinkhoff*, *Lech Suwala*, and *Elmar Kulke* in turn offers a comparative case study of the development of localized networks of university-industry collaboration in the context of two Science Parks (Seville and Berlin) and explores the relevance

of other types of proximity besides co-location (e.g., social, cognitive, organizational) in the process. Chapter 7 by *Krzysztof Klineciewicz* offers an analysis of the scientific production of Polish universities in terms of their outcome, impact, and international collaboration.

The second part of the book deals with universities and academic entrepreneurship as key actors driving innovation. Chapter 8 by *Helen Lawton Smith* and *Sharmistha Bagchi-Sen* provides an insightful reflection and review on the factors and dimensions influencing the regional impact of universities, including the internal characteristics of universities, technological opportunities, government funding, and regional characteristics, illustrated by the case study of Oxford University. Chapter 9 by *Martin Geyer*, *Kevin Grant*, and *Jary Kuusisto* deals with “hybrid organizations” at the intersection between the three spheres of the “triple helix” (Etzkowitz and Leydesdorff, 2000). The authors explore how these arrangements provide knowledge, consensus, and innovation spaces and identify the extent to which centers in Canada, Finland, Norway and Sweden undertake these performative functions.

Chapter 10 by *Marina van Geenhuizen* explores the factors facilitating or hampering technological commercialization. It draws from a large-scale evaluation of technology projects in the Netherlands. Key hampering factors identified in the chapter include organizational barriers within universities at the intersection between businesses and university researchers, as well as insufficient funding to secure their way to the market. *Katalin Erdős* and *Attila Varga* explore the meaning of the concept of ‘academic entrepreneurship’ in the context of post-socialist Central European countries in Chapter 11. On the basis of eighteen case studies of academic spin-offs, they reflect on the institutional differences between the U.S. and Central Europe, and conclude that despite a seemingly less supportive environment in Central European research institutions, the classical academic entrepreneur can still emerge. In Chapter 12, *Pavla Žižalová* and *Vladislav Čadil* take the perspective of the Czech Republic to investigate the adoption of the third mission in less advanced innovation systems. They look at the motivations and perceptions at the university and individual researcher level, as well as the influence that adopting the third mission has on traditional functions. They argue that support for the development of the third role is rather passive and formal, seen as a secondary and not strategic activity for universities. This contrasts with a strong motivation of researchers to engage in science-industry collaboration.

Chapter 13 by *Ana Lanero*, *José Vázquez*, and *María García* addresses the issue of entrepreneurial education and develop a three-step sequential model to analyze the impact of entrepreneurship education in Spain. Their findings suggest a positive link between sources of motivational support and the entrepreneurial interest of future graduates. In Chapter 14, *Denis Häckl*, *Hans Wiesmeth*, and *Oliver Fiala* examine a relatively under researched area, namely the economic and innovation impacts of university medical centers on their host cities and regions. The authors provide a tentative typology of impacts and review the challenges associated with assessing such impacts.

The focus of the third part of the book is on the relation between universities and their host city. For instance, *Jan Sadlak* considers the challenges associated with the increasing engagement of universities in the development of their regions and cities in Chapter 15. *Mikolaj Herbst* provides a comparative analysis of Polish cities in Chapter 16 in relation to their capacity to attract students and subsequently retain graduates in their labor markets. Using available statistics on educational and post-educational mobility in Poland, they classify cities according to their performance. Chapter 17 by *Olga Mrinska* provides an overview of the research and educational performance of Kyiv in the Ukraine and the relatively untapped potential of its research and

knowledge assets. Chapter 18 by *Kazimierz Musial* examines the role of the University of Tromsø, situated in the northernmost region of Norway. More specifically it focuses on the influence of historical factors and the political specificity of the Norwegian regional development policy on the development and important profile of the University.

This edited volume is ambitious and broad in terms of the range of themes covered, offering a wealth of studies that address different dimensions of university impacts. It discusses well-researched dimensions of academic entrepreneurship and commercialization, but also other less-explored paths such as the role of entrepreneurship education, the role of universities in attracting and retaining skills, and the civic leadership function of universities. It offers a rich mix of conceptual perspectives and methodological approaches, from network analysis to bibliometric analysis, econometric modelling, and case studies. The volume also contains novel and original insights into the reality of noncore, “off-the-map” places, and generally regions in transition and peripheral economies, helping the reader appreciate the role universities play in different political and institutional contexts. But the authors seem to shy away from discussing key implications for policy, such as: What relevance do policies and incentive structures for academic entrepreneurship, rooted in the western academic tradition, have for post-socialist Central European Countries?

Given the wealth of materials assembled in this volume, a common conceptual or comparative framework, a synthesis chapter, or a discussion of crosscutting themes would have substantially contributed to the coherence and consistency of the book. The role of universities at different geographical scales appears under-theorized and given the lack of comparative lessons the reader lacks a good sense of the richness of contributions this book adds to our understanding of the issue.

Overall, while the chapters vary considerably in relation to quality and coherence, there is much to praise in this contribution. It is a valuable contribution to the field, able to offer critical insights of interest for academic researchers, university managers, and regional economic development bodies.

REFERENCE

Etzkowitz, Henry and Loet Leydesdorff. (2000) “The Dynamics of Innovation: From National Systems and ‘Mode 2’ to a Triple Helix of University-Industry-Government Relations,” *Research Policy*, 29, 109–123.

Dennis Patrick Leyden and Albert N. Link. 2015. *Public Sector Entrepreneurship: U.S. Technology and Innovation Policy*. Oxford University Press, UK. ISBN: 9780199313853, 250 pp., \$39.95 (hardcover).

Reviewed by *Qinling Lu*, West Virginia University

In this book, Leyden and Link discuss the concept and theoretical background of public sector entrepreneurship and illustrate the application of public-sector entrepreneurship with examples of U.S. technology and innovation policies that were implemented in response to the productivity slowdown in the 1970s. As entrepreneurship scholars, they offer a thorough summary of the development of entrepreneurship and provide insight into public-sector entrepreneurship, which encourages creative activities with the goal of enhancing economic prosperity.

The first section (Chapters 2-4) summarizes the intellectual history of entrepreneurship and emphasizes its merit of dealing with uncertainty and operating through a dynamic environment. The characteristics of entrepreneurship, opportunity recognition and exploitation, are affected by the heterogeneous social network which determines the adoption of existing knowledge and creation of innovative knowledge. This general theory of entrepreneurship applies to the private sector and the public sector. The authors detail public-sector entrepreneurship as the implementation of innovative public policies which lead to a more active economic environment that encourages creative activities. To illustrate the effectiveness of technology and innovation policies, Leyden and Link conclude this section by previewing the empirical examples of technology and innovation policies adopted after the productivity slowdown in the mid-to-late 1970s in the United States. The six related policies are as follows: 1) the Bayh-Dole Act of 1980, 2) the Stevenson-Wydler Act of 1980, 3) the R&E Tax Credit of 1981, 4) the Small Business Innovation Development Act of 1982, 5) the National Cooperative Research Act of 1984, and 6) the Omnibus Trade and Competitiveness Act of 1988. The main characteristics of these policies that distinguishes them from traditional policies is their ability to provide a more effective economic environment that initiates the R&E (research and experimentation) and R&D (research and development) process. These policies emphasize the recognition of uncertainty in the entrepreneurial process.

The second section of this book (Chapters 5-10) discusses the mechanism of these six policies in the view of public-sector entrepreneurship. In addition, a detailed comparison of these policies is provided. The discussion is well constructed by first offering the legislative background and characterization of public-sector entrepreneurship and then by analyzing the economic impact of the policy. The highlight of this section is that the authors summarize the characteristics of each policy explicitly, such as the impact of technology and innovation, the targeted parties of the policy, and the heterogeneity of experiential ties. The authors organize a comprehensive discussion on the previous literatures, compare the economic behavior before and after adoption of the policy, and even offer several related case studies. These discussions support the idea that public policy improves the social networks of relative parties and enhances the possibility of these parties to exploit the status quo of unexploited opportunities.

The mentioned policies are categorized into two groups in terms of the advancement of knowledge and the impact on technology and innovation. The Bayh-Dole Act of 1980 and the Stevenson-Wydler Act of 1980 both have immediate impacts on technology and innovation, since it takes only a short amount of time to distribute existing technology out of universities or federal laboratories. These two acts are examples of successful public sector entrepreneurship, which emphasize the transfer of knowledge instead of the advancement of knowledge. The Bayh-Dole Act of 1980 improved the social network of universities and private sector firms when facing economic uncertainty, and it significantly raised the heterogeneity of experiential ties for both universities and private sector firms. Similarly, the Stevenson-Wydler Act 1980 enhanced the social network for federal laboratories and private sector firms.

The other four policies aim to encourage the advancement of knowledge. Therefore, they target the long-term impact on technology and innovation. The R&E Tax Credit of 1981 and the Small Business Innovation Development Act of 1982 encourage innovation over social networking. The National Cooperative Research Act of 1984, in contrast, is designed to lower the formation barrier of a social network with regards to a research joint venture by relaxing the enforcement of antitrust laws. The last example of public-sector entrepreneurship discussed by

Leyden and Link is the Omnibus Trade and Competitiveness Act of 1988, which enhances the social network for all research firms and parties that are involved in collaborative research. In general, the theoretical background and empirical behavior of these policy examples indicate that public-sector entrepreneurship effectively transforms the *status quo* economic condition into a more productive and creative environment through innovative public policy.

The authors extend their perspective of public-sector entrepreneurship and make a general conclusion in the final section (Chapters 11-12). They briefly summarize the important concepts and examples mentioned in previous sections to give readers a general sense of public-sector entrepreneurship and the related technology and innovation policies.

Leyden and Link organize an excellent discussion on the concept and theory of public-sector entrepreneurship and fill the gap between private sector and public sector entrepreneurship. At the same time, the empirical examples regarding technology and innovation policies are introduced to support the effectiveness of public sector entrepreneurship. One of the excellent features of this book is the summary tables that the authors prepare for each policy regarding its merit to public sector entrepreneurship, for they offer a visual perspective of crucial elements of the policy.

Craig L. Johnson, Martin J. Luby, and Tima T. Moldogaziev. 2014. *State and Local Financial Instruments: Policy Changes and Management*. Edward Elgar Publishing: Northampton, MA, USA. ISBN: 9781783476169, 288 pp., \$112.50 (hardcover).

Reviewed by Akheil Singla, Arizona State University

The market for municipal bonds has, at times, been decried as boring or even “dull-as-dishwater” (Walsh 2012). *State and Local Financial Instruments* is a compelling counterargument. It suggests, instead, that the municipal securities market is a distinctive and extraordinarily important component of American society, worthy of study and understanding by and from students, academics, and practitioners alike.

The authors begin the book by explaining that their goal is to analyze the fundamental characteristics of the world of municipal finance. As a result, the book focuses on debt instruments used by state and local governments—primarily bond—to finance large infrastructure projects like roads, and the various theoretical and practical ways to understand these instruments. The book is segmented into three sections, each covering different aspects of the market: 1) *What makes the “muni market” different?*, 2) *Creating debt instruments for the municipal market*, and 3) *Financial structure and the risk/reward tradeoff*. This review focuses on the arguments put forth in each section.

The first chapter in the first section focuses on the tax exemption associated with municipal bonds. Sometimes described as the defining feature of the municipal market, the tax exemption means that interest income earned on municipal bonds is not subject to the federal income tax. The book traces the historical and legal origins of this practice. The next two chapters explore the regulations in the municipal securities market, the first focusing on fiscal institutions like debt restrictions, and the second on the regulatory bodies that govern the entire market like the Municipal Securities Rulemaking Board (MSRB) and the Government Finance Officers Association (GFOA).

As described by the authors, the first section of the book is intended to describe what makes the market for municipal debt different. While this is an accurate description, this first section can

be viewed as the authors' theoretical framework for understanding municipal debt. Each of these chapters on tax exemption, fiscal institutions, and the regulatory framework governing the municipal market is grounded in a broader discussion of fiscal federalism. In this way, the section is particularly compelling to academic audiences as it communicates how the federal structure of American government influences state and local governments' ability to provide important services to citizens. While research on municipal debt is sometimes viewed as an insular activity, the authors provide a strong argument that there is considerable room for both theory development and theory testing in the context of subnational debt.

An excellent example of this is the portion of the tax exemption chapter on the Build America Bonds (BABs) program. This program, enacted during the Great Recession, allowed subnational governments to issue taxable debt; tax exempt debt usually provides a lower interest rate for state and local borrowers, but does so via a tax expenditure at the federal level. BABs aimed to subsidize subnational borrowing directly via a tax expenditure. The authors suggest that this program, which has since ended, has significant implications for fiscal federalism. For instance, a federal subsidy might allow for more federal control of subnational borrowing (e.g., certain types of infrastructure projects receive a larger subsidy), thereby centralizing decisions about local infrastructure. Moreover, they note that a subsidy subjects subnational governments to the whims of the federal budgeting process, a concern that manifested during the 2013 sequester.

The second section of the book pivots away from theory and focuses on the more readily practical by discussing the mechanics of issuing a bond, from start to finish. The first two chapters in this section—Chapters 5 and 6—focus on the decision to issue debt and the networks that issuers engage with when making and acting upon this decision. The third chapter, undoubtedly the most technical in the book, focuses on the mathematics of fixed income securities and how they apply to the municipal market. Specific topics like bond pricing, true interest cost (TIC), and revenue bond capacity are addressed in detail. The fourth chapter covers the secondary market for municipal debt.

Unlike the one that precedes it, this section is more varied in its content, so one should refrain from making broad statements about the entire section and, instead, focus on the chapters. The first two chapters do an excellent job of highlighting information about the issuance process that practitioners would find valuable, essentially providing a crash course in financial management. For instance, Chapter 5 highlights the foundational principles of debt management policies. Similarly, Chapter 6 discusses the different decisions an issuer would make when issuing debt, like a competitive or negotiated sale, and the potential advantages or disadvantages associated with these decisions. Both chapters also examine the principal-agent and moral hazard problems associated with debt, doing so in a way that is relevant to both academic and practitioner audiences.

Chapters 7 and 8—the final two chapters of the second section—have different goals. The former provides a technical overview of fixed income securities pricing; unlike most of the other chapters in the book, this one puts the math at the forefront, something that may be a turnoff to less advanced students or practitioners looking for a general understanding rather than technical proficiency. Associated appendices ease the burden on the reader, but it would be difficult to understand much of the material in this chapter without a prior background in finance. It should be noted, however, that this is not so much a critique of the book or authors as it is a statement on the nature of the material. The final chapter in the section takes on the task of linking the secondary market, where municipal securities are bought and sold by investors, to the primary market and

concerns of state and local borrowers. Using some empirical evidence, the authors conclude that secondary market characteristics like liquidity have significant effects on borrowing costs for governments; more sophisticated municipal issuers ought to benefit from this knowledge.

The final section of the book is focused on specific debt instruments that deviate from the traditional fixed-rate bond. Chapter 9 focuses on debt-related derivatives like interest rate swaps, while Chapter 10 describes refinancing debt, and Chapter 11 explores variable-rate debt. The next chapter covers bond insurance and other credit enhancements, while the final chapter in the section examines non-traditional financing options like public-private partnerships.

The commonality among these chapters is an emphasis on developing issues in the realm of municipal finance. This focus allows for a robust discussion of the effects of the Great Recession on debt practices. For instance, the chapters on interest rate swaps, variable rate debt, and bond insurance spend a great deal of time on the development of these products and the subsequent collapse in usage during and after the financial crisis. Each chapter goes on to describe the lessons that can be learned from these events, providing significant value for practitioners.

Perhaps the only substantive critique of the book is that a few of the more recent developments in the municipal finance world are not covered in this final section. The Chapter 9 bankruptcy proceedings in cities like Detroit or Stockton, California, for instance, are only briefly discussed early on in the book. While some of the more recent developments would have been impossible to include, as the book was published in late 2014, there was information about the potential legal precedents set by earlier cases that might have been detailed. In addition, while the book is very clearly focused on municipal debt instruments, there may have been room to explore softer obligations like pensions or other post-employment benefits in more detail. A clear tie-in would be pension obligation bonds, which some governments use in order to address unfunded pension liabilities.

Broadly, however, it would be disingenuous to suggest that these omissions detract significantly from the book. *State and Local Financial Instruments* sets out to describe the fundamentals of the municipal debt market in a way that is meaningful to academics, practitioners, and students alike. In this and many other ways, the book is a rousing success – it would be a valuable addition to the library of anyone with even a passing interest in municipal finance.

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John W. Diamond and George R. Zodrow, eds. 2014. *Pathways to Fiscal Reform in the United States*. MIT Press: Cambridge, MA, USA. ISBN: 9780262028301, 432 pp., \$45.00 (hardcover).

Reviewed by *Collin D. Hodges*, West Virginia University

Pathways to Fiscal Reform in the United States is a collection of contributions examining the severe fiscal problems facing the United States. Highlighting the results of one long-run fiscal scenario, the book’s editorial introduction implies that current U.S. federal government deficits and debt relative to gross domestic product will soon become the largest ever known. Indeed,

ignoring interest payments, current tax and expenditure policies will result in deficits that increase from 1.5 percent of GDP in 2020, to approximately 9.5 percent of GDP in 2080. The outlook appears even direr when one reads that these deficits are associated with a debt to GDP ratio of 70 percent in 2011, to over 200 percent in 2040, and nearly 700 percent by 2080. This grim overview of the fiscal future of the United States concludes with the statement that, “the pervasive problem of burgeoning national debts may be the most pressing concern facing the industrialized world today” (p. 3). But what are the paths to reform?

Pathways begins by providing an overview of the difficult issues raised by calls for fiscal reform in the United States by focusing on three main areas: expenditure programs, federal budgetary issues and processes, and reforms of the individual and corporate tax system. Chapters 2 and 3 consist of discussions of the current fiscal challenges facing two large entitlement programs: public sector medical expenditures and Social Security. Chapters 4 and 5 examine federal budget reform and the challenges of funding U.S. deficits and debt. The remaining three chapters consist of discussions on curbing tax expenditures, reforming the corporate tax base, and the dynamic effects of a reduction in the U.S. corporate tax rate. Following each chapter, *Pathways* provides follow-up discussions written by other scholars who offer both criticism and support for the ideas presented.

In Chapter 2, *Mark V. Pauly* gives the reader with an overview of increasing medical spending in the U.S., how it might be reduced, and a discussion of the interplay between public and private healthcare expenditures. The two major causes for increased healthcare spending growth are identified as technological change and rising prices, the latter being driven primarily by wage growth for physicians and other medical personnel. Significantly, wage growth in the health services sector is highlighted as having outpaced wage and price growth in the rest of the economy. The chapter also touches on how medical spending statistics can be misleading, if not downright useless. Pauly makes the point that medical spending data serve as poor indicators of resource use efficiency in the medical sector, highlighting that it is real resource use relative to real benefit that is relevant to determining what is best for the economy. The political desirability/feasibility of a medical care voucher model is discussed as a potential option to address the issue of excess burden, though concerns are expressed regarding if this approach is sufficient to control cost growth. The chapter concludes with discussion of other possible paths to curbing the growth of medical spending.

Chapter 3, by *Jagadeesh Gokhale*, examines the financial outlook of Social Security and discusses a variety of potential reform plans using a microsimulation model. Gokhale spends a fair amount of time criticizing the methods used by the Social Security Board of Trustees to project the future financial position of the program. Making the case that reforms must be made with the fullest and most accurate information possible, he presents his own microsimulation model—the Demographic and Economic Micro Simulation Model (DEMSIM), which is calibrated to U.S. microdata beginning in 1970. DEMSIM, which is based upon a population of 45,000 representative families, performs a historical simulation by transitioning its household set through time from 1970 to 2006. This model is argued to more appropriately project the future financial outlook of Social Security, and estimates a fund exhaustion date of 2029 compared with that of 2042 that has been estimated by the Trustees. The chapter concludes by evaluating a number of reforms from across the political spectrum using DEMSIM.

The second section of the book consists of Chapters 4 and 5, which cover federal budget reforms and the challenges of funding the U.S. deficit and debt, respectively. Chapter 4, written

by *Shanna Rose* and *Daniel L. Smith*, reviews the long-term upward trajectory of the federal debt and examines possible federal budget reforms. The chapter highlights the renewed interest in budget reform due to the 2011 debt-ceiling crisis that resulted in the downgrading the credit rating of U.S. long-term debt. The bulk of the chapter consists of a review of empirical literature regarding the state and local government "laboratories of democracy" and discusses possible institutional lessons that the federal government might learn from the states in order to promote fiscal sustainability at the federal level. Fiscal policies, such as line-item vetoes, balanced budget rules, debt limits, and tax and expenditure limitations, are discussed in terms of their general operation as well as political feasibility and institutional barriers.

John Kitchen contributes Chapter 5, which examines the substantial challenges of funding U.S. deficits and debt. Kitchen discusses current and historical funding relationships then turns to the analysis of possible policy reforms enacted under a variety of scenarios. The overarching theme of the chapter is that, while funding the federal debt one cannot escape the "no free lunch" axiom. That is, all funding sources have a cost, but how those costs manifest themselves economically will vary depending on the source, or combination of sources, the U.S. chooses to use. With the U.S. drawing its funds from three primary sources—private sources, foreign sources, and the Federal Reserve—the question then becomes one of examining the tradeoffs of various scenarios involving each. Kitchen then discusses the trade-offs between various funding sources but emphasizes that costs will remain a significant factor if deficits go unaddressed.

The third and final section of *Pathways* consists of Chapters 6, 7, and 8. These chapters cover topics falling under the category of individual and corporate income tax reform. *Daniel Baneman*, *Joseph Rosenberg*, *Eric Toder*, and *Roberton Williams* discuss curbing tax expenditures in Chapter 6, which are defined as exemptions in the tax code that provide special tax benefits to select groups or activities. These groups or activities include children, college students, health insurance, and retirement savings. The authors note that there were 169 expenditure items listed in the 2014 budget, despite the fact that expenditures were significantly reduced by the Tax Reform Act of 1986. The chapter provides an overview of the history of tax expenditures, the various types and forms, and then turns to discussions of curbing or transforming them, as well as the political feasibility of taking such action.

Chapter 7 by *Jane G. Gravelle* deals with raising revenue by reforming the corporate tax base. Gravelle begins by providing an overview of possible revenue-raising reforms, then examines the economic consequences of increasing corporate taxes, and discusses the curious case of typically conflicting political camps all proposing revenue-neutral corporate tax reforms during a time of ongoing deficits. The chapter concludes by describing several current tax provisions and examines the potential consequences of reforming or eliminating them.

John W. Diamond, *George R. Zodrow*, *Thomas S. Neubig*, and *Robert J. Carroll* discuss the dynamic economic effects of a U.S. corporate income tax rate reduction in Chapter 8. The U.S. corporate income tax is now the highest in the world among industrialized countries. This has led to calls for reform and discussions of ways to finance a reduction in the corporate income tax rate. Possible paths to reform are examined using macroeconomic modeling to determine the effects of a reduction in the corporate tax rate structured to be revenue-neutral through tax base broadening. The chapter concludes with a summary of the results which ultimately suggest that the outcome will vary depending on how the reform is structured.

Pathways provides its reader with an overview of a variety of issues that are of interest to those concerned with fiscal reform in the United States. Whether the reader is interested in the fiscal/budgetary impact of the Affordable Care Act, debating a reduction in the corporate tax rate, or potentially simplifying the tax code, *Pathways* certainly has something for everyone. Further, how the U.S. chooses to address the challenges examined in *Pathways* will likely have regional, if not global, significance.

The follow-up discussions by additional scholars located at the end of each chapter add an additional, and positive, element to the book. Put simply, these follow-up essays are not universally positive. Indeed, some of the discussion essays sharply disagree with the content present by the chapter's author(s). Providing other scholars an opportunity to critique the ideas put forth in each chapter, and including those critiques in the book, seems appropriate given the complex nature of the issues being discussed. Undoubtedly these follow-up writings will serve to stimulate classroom discussion and reading group debate.

Some chapters do prove to be more technical than others, and this may exceed the economic knowledge of some readers. This book may not be appropriate for a non-academic, as phrases such as "integrated stochastic microsimulation models" might cause the book to be put down and not be picked back up. But the majority of the book is accessible to the average economist. Overall, *Pathways* is well structured, well written, and does what it sets out to do.