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BOOK REVIEWS

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O'Brien, David J. (2021) *Defining Public Goods: An Institutional Approach to Community-Building and Negotiating Inter-Community Conflict* Edward Elgar. ISBN: 9781800885424, 176 pp., \$105 (hardback).

Reviewed by *Alex Tsiukes*, West Virginia University

If a relative happened to ask, “How in the world did the U.S. get so divided?” during your holiday dinner conversations, you might offer them a copy of *Defining Public Goods* to help connect the (many) dots. This book is an extensively researched synthesis highlighting how inter-community challenges from increased globalization can be overcome through a public goods framework. David J. O'Brien, Professor Emeritus of University of Missouri-Columbia's Division of Applied Social Science, illuminates the origins of growing polarization between rural and urban communities, which he later connects to the recent rise of populist movements such as Brexit and Trumpism. In this regard, O'Brien does an excellent job of piecing together individual observations to craft a greater story about the difficulties endogenous to our current societal situation, which the author suggests can be abated through formal institution initiatives intended to alter incentives and guide human behavior.

O'Brien writes *Defining Public Goods* in the context of the growing U.S. opioid epidemic and populist movements. He postulates that both issues stem from the same root cause: detachment between rural individuals and their communities due to increased globalized trade and outsourcing. Arranged as a narrative that combines observations from across disciplines, O'Brien develops a compelling case for viewing the aforementioned community problem as a public goods problem, which economic theory suggests can be remedied through a proper public goods framework. To this extent, *Defining Public Goods* is written to inform the casual reader and policymaker alike, providing enough background for those outside of the social sciences to understand how this inter-community problem came to be, why this problem is ultimately a public goods problem, and how properly implemented formal institutions can serve as a solution.

In accessible prose, O'Brien's book posits that increasing globalization has caused traditional communities to drift apart, as many communities now lack a shared local industry that contributes to a sense of interconnectedness. For instance, the loss of a major employer

may have led to population loss and, in turn, loss of other community infrastructure such as local high schools. The resulting degradation of these communities has been the catalyst for the rise of recent populist movements in the United States and Western European countries, at the heart of which rests a collective desire to return to an idealized “golden period” of the past in which individual fulfillment was derived through participation in shared community work. Simultaneously, the gains from greater productive efficiency through globalization have not been evenly distributed throughout society, which has led to heightened income inequality and class polarization that the author suggests is unlikely to end. In an interdisciplinary approach, O’Brien proposes using formal institutions to solve the dualistic problem presented by globalization through the initialization and support of organizations that reestablish connectivity within and between communities. The resulting lack of interconnectedness in communities shaken by recent technological shocks is a public goods problem that can be reconciled through properly implemented formal institutions. O’Brien cites both successes and failures of formal institution initiatives in the past, underscoring how today’s policymakers might use these historical examples as guidance for best practices in implementing formal institutions that attempt to solve this community problem.

While O’Brien’s synthesis of ideas from across disciplines and time periods generates interesting connections throughout the book, the abundance of information can sometimes feel overwhelming. Likely symptomatic of the magnitude of information being presented, the direct connection between adjacent passages does not always seem readily apparent, which can result in the reader losing sight of the greater thesis being argued. Nevertheless, O’Brien positively contributes to the collective knowledge of the social sciences by using historical works and events to answer how we’ve arrived at our present predicament. In the same manner that Harari (2015) weaves a story about how modern humans came to be through a compilation of historical insights in *Sapiens*, O’Brien’s writing weaves together a story about how our modern social structures came to be, why particular structures are failing, and how we might fix these social structures moving forward. Throughout the book, O’Brien emphasizes that policymakers must be well-informed of the community’s issues. Only after that can we implement formal institutions that are likely to be accepted by the community these institutions are intended to help. Failure to do so can cause a restructuring of incentives, leading to inefficient allocations, unintended consequences, or even backlash from the targeted community. This point cannot be understated; however, it has been historically difficult for governing bodies to operate effectively in this manner, as discussed in Friedrich Hayek’s seminal work, “The Use of Knowledge in Society” (Hayek, 1945).

Overall, O’Brien views our larger political discord in the United States as symptomatic of ongoing inter-community problems, most of which stem from increased globalization. He posits that a public goods framework can overcome these community issues. Still, policymakers must implement formal institutions that align with the desires of members within the communities being supported. While O’Brien constructs an engaging story about society’s current situation, it ultimately remains unclear how (or even if) formal institution initiatives can function efficiently with the communities they intend to help.

REFERENCES

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Kresl, Peter K. (2021) *The City and Quality of Life*. Edward Elgar Publishing USA. ISBN: 9781800880108, 136 pp., \$105 (hardback).

Reviewed by *Anqi Chen*, Johns Hopkins University

This book first explores the relationship between measurements like competitiveness, economic development, and people's living standards. It also explains how they affect each other. Second, this book analyzes the components of people's quality of life so ways to improve it can be derived.

"Happiness" is a very abstract concept, and it is difficult to measure it numerically. It is widely believed that there is a positive relationship between life affluence and happiness. While it cannot be entirely true, since there are rich people who are not happy at all and those whose lives have not improved due to economic progress, we can still conclude that economic growth has raised the standard of living for most people. Therefore, improving technology and developing the economy will be important parts of increasing people's happiness. Of course, the economy cannot be developed blindly. When the happiness people obtain through money reaches a certain level, the growth of wealth will no longer improve their happiness because their wealth is completely enough, and what they pursue will be spiritual satisfaction. At the same time, economic development will also cause problems. For example, when the economy is developed, the environment is damaged, and the temperature worsens, reducing people's happiness. Therefore, to effectively improve the happiness of the people, the speed of economic development must be well controlled, and other social factors that will bring happiness to the people must not be sacrificed too much.

Competitiveness is an often-overlooked factor that can explain people's happiness because strong competitiveness means high-quality outcomes. In the long run, competitiveness is even considered a measure of people's quality of life. To analyze the relationship between competitiveness and economic change, and quality of life, researchers use different methods to test. Researchers such as Peter Kresl, Balwant Singh, and Ni Pengfei set economic change as the dependent variable and divided the independent variables into two categories: "hard" independent variables representing competitiveness and "soft" independent variables representing quality of life. Among them, Ni Pengfei's competitiveness variables include factors that represent people's quality of life, such as safety, entertainment culture, etc. Other researchers like Robert Huggins set the equation without independent variables related to quality of life. When a city can provide a good quality of life for the people who come to live in it, it becomes competitive. It can attract many high-ability workers, which becomes a circulation.

Every city has its own economy, and different economies have different standards for

measuring the quality of life. As time changes, a city's key development industries may also change. The development of a city is inseparable from the efforts of innovators. Still, as leaders, innovators also need more workers to help them achieve innovation, so they need their cities to provide a high quality of life, if they attract high-quality workers who innovators will lead, the workforce will realize their value most efficiently.

The expansion and contraction of cities also impact the quality of life of local people. A well-developed city always needs to expand because many economic activities require land. In this way, more and more people can enjoy the high-quality lives brought by a high-quality city. However, suppose the city's development speed greatly exceeds its expansion speed, and many people move there for high-quality lives. In that case, their quality of life will be far worse than they imagined: the traffic jam caused by too many people will not only make their lives extremely inconvenient, but they will also face rising living expenses due to rising demand. Urban shrinkage means the decline of the city, and people's quality of life will decline. Many people are forced to leave these regressive cities. At the same time, this regression may also cause social chaos.

Even if living costs decline, people's quality of life will still decline. What fits well with our course theme is the mutual influence of economic activities between a specific city and other cities. Although the development paths of different cities are different, they all have something they can learn from each other. At the same time, relatively backward cities can also learn from better cities to solve their own problems. The Association of Mayors is important to strengthen mutual learning and cooperation between cities. As a city's leader, the mayor is responsible for solving the problems encountered in the city's development and taking the lead in strengthening cooperation between cities. Therefore, the mayors will share their ideas at the mayor's meeting and sign friendly agreements with other cities. After the meeting, new policies will be formulated and implemented, improving people's quality of life.

Cities are made up of "people," so population changes greatly impact people's quality of life. We can classify the population in many ways to observe the impact of different types of populations on people's quality of life. Among these classifications, the one I am most concerned about is aging because this is considered a problem my country will encounter in the future. The elderly not only cannot be regarded as a labor force but also need social care because of old age and frailty. Population aging means that the total social cost facing the elderly will rise. Therefore, people need to maximize the social utility of the elderly so that they can contribute to improving people's quality of life. First of all, it is gratifying that the elderly are becoming more and more independent now. Although many elderly people have reached retirement age, they are still working; even if they are not continuing to work, many elders are actively involved in social activities. Second, there are still many kinds of consumption, such as the appreciation of classical operas, whose main consumer group is the elderly, and these consumptions of the elderly have contributed to the sustainable development of these kinds of consumption. Third, many old people work hard to save money. After retirement, they can no longer spend as conscientiously as before, so their demand for various commodities will rise, which is a positive impetus to economic development. Another thing I care a lot about is "discrimination." Although my country does not have the racial discrimination mentioned in the book since all the members are yellow, there are similar "appearance discrimination" and "gender discrimination" in my

country, and the patriarchal thinking in many areas has led to women earning less than men in the workplace. In the long run, the total income difference will increase. After the low-income groups become disheartened, society's thinking will become negative, which will not only cause a decline in people's quality of life but also limit economic development. With the development of society, the problem of discrimination has been improved, but it is still not enough. To improve the quality of life of the people, the negative impact of discrimination must be minimized.

A good quality of life requires people to create together. Many cities will encourage everyone by setting up a "city image" to let people have a common goal. The city image shows the city's economy, social status, and culture. In my country, each province has its own alias, such as a province called Shanxi, the alias "Coal Province," which shows the largest economic industry in the province: coal. The economic industry and the urban landscape are an important part of the city's image. Some cities have very characteristic buildings. Residents living in these creative buildings can have a good mood every day. This kind of happiness cannot be compensated by spending more money. Not only that, but these creative buildings can also attract tourists from many other cities, so the positive impact is not limited to this city. In addition to the appearance of the building, the content of the interior of the building is also very important. For example, some cities will set aside a special area to build all the museums there and, at the same time, strengthen the public transportation around the museum area. In this way, whether it is a resident or a resident from another place, visiting the museum will be very convenient. The city also has an excellent image of "an interesting area with many museums," which will become the pride of every resident.

The last important factor in urban development is the city's facilities. If the goal is to improve people's quality of life, the most important thing is a city's amenities. Of the amenities mentioned in this book, I am most interested in public safety because if insecurity affects life, there will be nothing. I believe that for most people, the safety of a city is their first criterion for examining the city's quality. Many cities in many countries have a lot of police patrolling the city. When I came to the United States as a foreigner, I heard that "this city has police patrolling every short distance." I immediately had a good impression of the city and felt relaxed. However, people are also starting to worry about the quality of police service now. The incidents of police brutality, as well as what I have learned about the police's ignorance in domestic violence incidents, because the police cannot keep people safe. As ordinary residents, we know that the work of the police is not easy, but to ensure the people's safety, this kind of problem must be resolved.

I think the main target audience of this book should be "leaders in the economic field." The leaders' desire in the economic field is nothing more than to improve the city's economy and the people's lives. This book describes how to improve people's quality of life from various aspects, including economic development, rational planning of cities, and others that many people can think of, but also competitiveness, non-economic cooperation, and so on that few people can think of. For leaders, the scope of thinking can be greatly expanded by reading this book. At the same time, for people whose way of thinking is immature, this book corrects people's one-sided thinking very well. For example, it tells people that economic development and urban expansion, which seem good, can also cause trouble. Third, this book

also talks about the actions of many city leaders, which is a very good learning opportunity for leaders. After reading this book, my scope and way of thinking have greatly improved. As someone who wants to be a financial leader, this book has helped me tremendously.

Isard, Walter, 2021 *Location and Space-economy; a General Theory Relating to Industrial Location, Market Areas, Land Use, Trade, and Urban Structure*, Hassell Street Press USA. ISBN 1013813707, 380 pp., \$39.95 (hardcover).

Reviewed by *Xingcan Cao*, Johns Hopkins University

Location and Space-economy; a General Theory Relating to Industrial Location, Market Areas, Land Use, Trade, and Urban Structure is foundational in regional science, spatial economics, and economic geography. The theories and methods used to analyze the spatial distribution of economic activity are explored in depth in this book.

The book's heart is a systematic approach to understanding how businesses and industries choose locations. This is based on the principle that firms seek to maximize profits, which may be affected by location choices such as transportation costs, labor availability, proximity to suppliers, and market access. Isard delves into the market area, the geographic space where a company can sell its goods or services. This concept helps explain why businesses choose where they are located, especially concerning their competitors and target customers. Beyond commerce, Isard's theory extends to broader land use and the structure of urban areas. He discusses how different land uses (residential, commercial, industrial) interact and how urban areas evolve. Central to location selection is the concept of shipping costs. Isard spends a lot of time discussing how these costs, including both money and time, affect firms' decision-making.

The book also explores the idea that certain industries benefit from being close to each other, known as agglomeration economies. This could be due to shared infrastructure, labor pools, or knowledge spillovers. Isard deals with the movement of goods between different regions and how this trade affects regions' economic dynamism and its structure. One of Isard's significant contributions is his in-depth methodological insights. He introduced and integrated various tools, e.g., input-output analysis, to study regional economies.

The book's primary purpose is to provide a comprehensive theory and methodology to analyze and understand the spatial distribution of economic activity. By understanding these patterns, policymakers, urban planners, and businesses can make informed decisions contributing to efficient, equitable, and sustainable development. He primarily aims to explain and predict the spatial distribution of economic activity by emphasizing the importance of locational analysis in understanding various economic phenomena.

He presents locational theory as integral to the broader field of economics. Integrate diverse economic phenomena, like market areas, land use, and urban structures, under the umbrella of locational analysis. However, a major accomplishment by Isard was integrating various economic ideas into a cohesive spatial framework. In doing so, he elevates location analysis from a subset of economic research to a foundational pillar. That is, he provides not just theoretical analysis but also specific tools and methods for empirical research, such as input-output analysis. This makes his work particularly impactful, as researchers can apply these tools to various real-world scenarios to obtain meaningful empirical results for use in

policy-making.

This book presents new findings in a particular field of study. Innovative concepts and insights into the spatial dimension of economic activity are introduced. He develops a deeper understanding of how transportation costs, market area, and agglomeration economies influence economic location choice. This book also partially summarizes previous research. It can be seen as a synthesis of previous economic theories of regional economics but reinterpreted and extended to fit the spatial context. He draws on existing knowledge but repackages and refines it to highlight the spatial aspects of the economy.

This book also introduced new research methods. One of the significant contributions of his work is that he introduced and integrated various tools and methods for studying regional economies, such as input-output analysis. He combines theory with practical empirical tools to better study spatial economic patterns. The book takes an interdisciplinary approach. His work is interdisciplinary, bridging the gap between traditional economic theory, geography, urban planning, and regional science. This fusion of disciplines can lead to a richer and more comprehensive understanding of the spatial dimensions of economic activity.

The book also combines findings to focus on a particular theme. The core of this book is the spatial distribution of economic activities. It combines research results from fields such as industrial location theory, urban structure, land use, and market areas. By integrating these different insights, he provides a comprehensive overview of economic activity's spatial determinants and impacts.

More importantly, this book provides comprehensive insights into the spatial dimension of economic activity. The proposed tools and theories help study economic phenomena' spatial distribution and contribute to regional science, spatial economics, and economic geography. It introduces innovative concepts and methods and integrates various economic ideas into a cohesive spatial framework. The combination of practical tools such as input-output analysis has further promoted the empirical research of regional economics.

The primary audience for this book includes economists, geographers, urban planners, and students of regional science or economic geography. Given its depth and breadth, professionals and policymakers involved in urban and regional development will also find this book invaluable.

While this book provides a comprehensive overview, it has its limitations. Its theory is largely based on a world where transport costs and agglomeration economies are key determinants. However, with the rise of the digital economy and remote work, some of these factors may change and require an updated theory to explain what is going on in the economy.

He backs up his theories via the use of empirical data to explain behaviors in regional economics. Also, the evidence is presented systematically, making his arguments coherent and powerful. However, readers may find recent economic phenomena that might benefit from updated data or methodologies.

Given the methodology and interdisciplinary approach, the evidence presented is largely convincing. His work has stood the test of time largely because of its solid theoretical foundation and empirical rigor. This book presents a new milestone in regional economics. Its intricate fusion of economic theory and geographic factors provides a comprehensive and

groundbreaking exploration of the spatial dynamics of economic activity. Drawing on a wealth of evidence and employing an interdisciplinary approach, a robust theoretical framework has been constructed that has since become important for subsequent research in regional economics.

While the book excels in methodological rigor, it must also be appreciated from its historical context. Some of its theories, especially considering the digital age and rapidly evolving global economic paradigm, may need to be reinterpreted or supplemented. However, it provides readers—whether seasoned academics, beginners, or policymakers— invaluable insights into the space in which economic activity occurs. The reading of this book can enhance people’s understanding of the intricacies of spatial economic phenomena and deepen their understanding of the intricate relationship between the economy and geography.