as ‘Scenarios for Reform’ for the second part would just as well have covered its subject matter, while equally providing a background—rather than the precise context—for Say’s ideas. But by any other name this bunch of carefully selected roses would smell as sweet, and serve economists and political philosophers alike in sketching a concise yet balanced view of the long—unbelievably long—ideological prelude to 1789.

To anyone who might have ignored or forgotten that J. B. Say lived the first half of his life in the eighteenth century and was influenced not only by Adam Smith but by Rousseau, Turgot, Sieyés and Destutt de Tracy, the first half of this book alone is worth reading. The same holds for those who might think that pre-classical political economy is not worth studying because it is politically outdated.

Abolishing the Old Order in 1789 was a lot easier than making the new one work. It takes some time before outlived institutions and messy public finances can be replaced by orderly new ones—a fundamental truth that was to be painfully rediscovered exactly two centuries later. How to make ‘republican manners’ work was a fundamental question for the editor of the revolutionary journal La Décade, Jean-Baptiste Say, and for his contemporaries.

Whatmore uses a broad—too broad, to my taste—implicit definition of ‘political economy’ and calls every author with a reform plan embracing an economic aspect a ‘political economist’. So even Saint-Just and Talleyrand fall into this category. His purpose in doing so is to draw a picture of Say as a French-bred and essentially eighteenth-century political economist, who all his life continued to be an economist as well as a republican political author in his Treatise of Political Economy, first published in 1803. He tells this story convincingly, but it is not an altogether convincing story. It does justice to the Say who was more than just an economist, but it does not do justice to the Say who carefully separated the subjects of economics and of politics, an achievement that even Whatmore himself calls his ‘breathtaking claim: that politics and political economy were distinct subjects’.

Nevertheless, Whatmore’s reading of the first Traité of 1803 is an impressive work of digging out Say’s ‘old institutional economics’ and of showing his republican roots. However, when he tries to do the same for the second edition of 1814, with notably fewer direct quotations, he no longer convinces me. This entirely rewritten and recomposed book represents the essential classical economist J. B. Say, who fully dared to distance himself from Smith on a number of essential points—value in the first place. In Say’s programme, as the Complete Works will show, the writing of a political treatise was envisaged, but he did not get around to completing it.

To read the Traité of 1814 as essentially a work intended to demonstrate how the French economy could surpass the British, and to proclaim this message to be Say’s true agenda, is a challenging but much too narrow claim. However this objection applies to only one chapter in Whatmore’s book, which cannot be praised too highly. For any student of J. B. Say it is required reading. What more is there to say?.

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Few would disagree with Pearl that causal knowledge is often more useful than association knowledge. We spend resources on HIV prevention because HIV has been shown to cause AIDS. Legal responsibility for a death may be established by determining the cause of death. Economists contemplating policy interventions need policy instruments that cause economic outcomes. The formalisation and analysis of causality, however, is controversial. The main thesis of this book is that this controversy is due to the lack of a proper framework for causal analysis. Its contribution is that it provides such a framework.

Pearl centres his work around structural models, which are systems of structural relations between variables. The structural relations are autonomous in the sense that
they are invariant to interventions elsewhere in the system. It is this autonomy that allows us to compute the causal effect of interventions that change the way one set of variables is determined on another set of variables. In the leading case that the models are recursive, they can be represented by directed acyclic graphs, in which the nodes represent variables and the vertices relationships between variables. Arrows indicate the direction of causality in a structural relationship. The graphical representation of causal structure naturally leads to mathematical methods for analysing causal claims based on existing graph and probability theory.

Pearl takes his structural models to be fundamental. Causal queries are settled by rigorously deriving the implications of a structural model. This is bound to raise controversy among philosophers and statisticians, but may come natural to economists: the models used by Pearl are essentially non-parametric versions of the linear models studied by economists of the Cowles Commission. The structural approach allows Pearl to offer a unified perspective on an impressive range of issues. One example is the notorious Simpson’s paradox (Chapter 6). This paradox would not be recognized as such by anyone who takes either a purely probabilistic perspective or an explicitly structural perspective like Pearl’s. Tension arises only if causal answers are pursued by purely statistical means. Another example is the confusion surrounding the connection between token-level and type-level causation (Chapter 10). These concepts are easy to relate if we are willing to maintain Pearl’s structural framework.

The Preface notes that the book is roughly organized in the chronological order of Pearl’s work. Pearl promises that this recreates for the reader the excitement that he and his co-authors felt in developing their ideas. A drawback is that the book is occasionally repetitive and, arguably, slightly less concise than it could otherwise have been. An economist who is only incidentally interested in causality may be willing to forgo Pearl’s excitement and use the reading guide in the Preface and the extensive name and subject indices to track down the more directly relevant sections of the book. Such an economist, like any reader of the book, will benefit from the Epilogue; this contains a public lecture that provides a nicely illustrated non-technical overview of the main issues.

Econometricians can find discussions related to their work in various places. The concept of exogeneity is reviewed in Chapter 5. Chapter 8’s discussion of bounding causal effects relates to a growing body of work in econometrics. The analysis of recursive non-parametric structural models, which has recently attracted attention in econometrics, is central to the entire book. The Neyman–Rubin potential-outcome model, which is now routinely used in the econometric analysis of simple economic programs, is provided with a structural perspective in Chapters 3, 5 and 7. The methods in this book for handling more complicated graphs may be useful in the evaluation of more complex economic programs.

This being said, economists wishing to apply some of Pearl’s methods to economics may occasionally be puzzled. The leading economic example is a simple supply and demand model. In Pearl’s structural representation, prices are determined by quantities in a supply equation and quantities are determined by prices in a demand equation. A supply intervention then necessarily amounts to a price intervention. Economists, however, may also be interested in other market interventions such as supply rationing. Economists can analyse such interventions because demand schedules can be reinterpreted as giving the marginal price that consumers are willing to pay for a given quantity of goods. This raises the more general question of how useful Pearl’s structural approach is if we already have specified an economic model based on economic primitives such as preferences and technologies. Such models can often be translated only in fairly trivial systems of autonomous equations which make up Pearl’s structural models.

In all fairness, we should not expect a book as broad in scope as this one to provide an in-depth guide to economic applications K. D. Hoover (Causality in Macroeconomics, Cambridge University Press, Cambridge, 2001) may provide useful complementary (and, occasionally, conflicting) reading.

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