

BOOK REVIEWS

F. Larry Leistritz and Steven H. Murdock: *The Socioeconomic Impact of Resource Development: Methods for Assessment*, Social Impact Assessment Series, No. 6, Westview Press, 1981, 286 pp.

The authors have attempted to write a technical text to meet the needs of both public and private sector decision makers who desire a single source reference on impact assessment techniques. The text is specifically written for those who require a basic understanding of the nature of resource development impacts on rural communities. In short, the text addresses the following areas: 1) to describe the conceptual and methodological approaches and specific techniques for assessing the major economic, demographic, public service, fiscal, and social impacts of resource development and the patterns of interrelationship among these impact categories; 2) to delineate the policy considerations and information needs related to each type of impact; and 3) to present the state-of-the-art of impact assessment for projecting each of the types of impacts and their integration.

The text opens with the important discussion of the various dimensions of impact assessment. This introductory chapter is followed by five chapters which take the reader through the major areas of socioeconomic impact: economic, demographic, public services, fiscal, and social. Each of these chapters is written in a manner that presumes the reader will have some knowledge of impact terminology and impact estimating techniques. Chapters Seven and Eight discuss the integration of the various dimensions of socioeconomic impact for decision making purposes, where Chapter Seven provides a conceptual basis of integration and Chapter Eight provides a summary of several assessment models that have been developed for nonmetropolitan regions. A comparison of features, strengths, and weaknesses of these models is offered in this chapter. Chapter Nine discussed the importance of socioeconomic assessment modeling results in the political decision process. Discussed here are such topics as 1) the functions of socioeconomic impact assessments, 2) factors affecting the usefulness and the acceptability of impact assessments, and 3) conditions for successful impact assessment. The concluding Chapter Ten discusses the great need for further refinements and developments in the tools for measuring socioeconomic impacts.

It can be argued that the authors have not completely fulfilled their objective, which is to provide the decision maker with a self-contained, self-explained source of information on the conceptual, methodological, and programatic considerations related to socioeconomic impact assessment methods for rural areas. A basic understanding of socioeconomic impact concepts and techniques is essential as background for appreciating the comprehensive treatment provided by the authors. In short, the text is not written for the beginner.

The authors can, however, be credited for providing the reader with an extensive coverage of the state-of-the-art in socioeconomic impact assessment techniques. It is an excellent source text. In fact, any individual who is directly or indirectly involved in impact assessment issues should add this text to their library. It is also a very valuable source text for graduate level students in regional and resource economics.

F. Charles Lamphear
Department of Economics,
University of Nebraska,
Lincoln, Nebraska

Dominick Salvatore: *Internal Migration and Economic Development: A Theoretical and Empirical Study*, University Press of America, 1981, 68 pp.

For the past several years Professor Salvatore has engaged in extensive research dealing with south to north migration in post-war Italy. This short monograph represents a continuation of his efforts to analyze the socio-economic determinants and impacts of internal migration within this dualistic national economy. Whether it represents the culmination of his efforts is uncertain. However, it clearly builds on and attempts to improve his work which has preceded it.

The study is organized into five chapters. Chapter One discusses and critiques two contrasting theories regarding the impact of migration within a dualistic economy. The first theory is the neoclassical approach which predicts equalization of rates of return and interregional convergence as a result of interregional migration. This is contrasted with Myrdal and Hirschman's views that under certain conditions in a dualistic economy, migration has a deleterious impact on the less developed region. This is the familiar notion of backwash or polarization effects. In Chapter Two Salvatore describes in general terms the time series and cross section approaches to migration modeling, with particular emphasis on the types of variables usually included in each model type.

Neither of these chapters contributes much to the literature on migration. The reader is probably better off referring to another source such as Greenwood's review article in the *Journal of Economic Literature* [1] for a more thorough and integrated synopsis of migration research. Such a referral also would expose the reader to a more complete and adequate bibliography on the subject. Only the discussion of south to north migration and capital flow patterns describes anything beyond which should be commonly known by the casual student of interregional migration.

Chapters Three and Four represent the heart of Salvatore's analysis, and it is in these sections where his contributions lie. He constructs a simultaneous equation system consisting of five first order difference equations as his basic analytical model. Using time series data from 1958 to 1976, he estimates the parameters of the model taking care to adjust for serial correlation and the presence of lagged dependent variables. Much of the detailed discussion regarding econometric technique is relegated to statistical appendices. Though the technically astute reader may find this a nuisance, it certainly makes the book more readable for those less concerned with econometric esoterica. Following an historical validity simulation, he concludes that net south to north migration has benefitted both regions and disproves (too strong a word in my opinion) Myrdal and Hirschman's notion that migration harms the less developed region.

Satisfied that the estimation results are good, Salvatore undertakes several policy simulations in Chapter Five. He chooses four scenarios which he asserts the government might have implemented and assesses their impacts on the dependent variables. These scenarios include a 25 percent greater increase in real growth in the south, a 10 percent greater reduction in the percentage of the labor force engaged in agriculture, a 25 percent increase in migration abroad, and a halving of the natural growth rate of the southern labor force. None of these scenarios appears to have substantial impacts on any variable except net south to north migration.

The contribution of Salvatore's research clearly lies in the formulation and estimation of his model. In the preface he suggests that his work represents the

first simultaneous equation model applied to time series data. I have found nothing in the migration literature to contradict this claim. The simultaneous system approach is the preferred methodology since it allows him to concurrently evaluate the causes and consequences of migration. Two of the more desirable aspects of his model are that it allows for the separation of push and pull forces encouraging migration, and it analyzes net migration of workers rather than the more general population migration. He is blessed with an excellent data base and he makes creative and workmanlike use of it. In addition his econometric technique is impeccable and well documented.

Despite these contributions, however, the analysis also contains several disappointments. For instance, the dynamic properties of the model are unstable. This restricts the analysis to short run impacts rather than the preferred long run effects. Perhaps the major disappointment is the set of policy simulations. Unfortunately he makes no attempt to evaluate, even intuitively, the costs of the government implementing the programs which are simulated. Nor does he determine whether the government even would have been capable of accomplishing these changes. The links between these policies and the government's ability to achieve them are tenuous at best. As a result the policy simulations become little more than an exercise in arithmetic.

Because of his methodological approach, Salvatore has contributed to the migration literature. However, from the perspective of policy analysis his study is somewhat disappointing. The general policy conclusion that "the government does not seem to have many very effective general policy instruments at the macro level to use for the development of the South" seems rather anticlimactic in light of the sophisticated statistical techniques employed. Frankly I believe that a better forum for the analysis would have been as a more tightly structure journal article rather than as a somewhat embellished and less integrated monograph.

Peter M. Hutchinson
Department of Economics,
Bowling Green State University,
Bowling Green, Ohio