
BOOK REVIEW

Andersson-Skog, L. & Krantz, O. (Eds.). (1999). *Institutions in the Transport and Communications Industries*. Canton, MA: Science History Publications. Pp. xix + 359. ISBN 0-88135-201-2. U.S. \$49.95 hard cover.

Reviewed by Andrea E. Goldstein, OECD Development Centre, Paris, France

Transport history is cardinal in Economic History research. Interrelated changes in the economy and the technology of transport and communication colored the birth of industrialization. It would be impossible to imagine the expansion of Europe and the United States in the nineteenth century without railways; the growth of international trade and the incorporation of the settler economies of the Americas and Oceania into the world economy without shipping; the on-going globalization of production and consumption without airplanes. Nowadays, huge and rapid progress in information and communication technology are shaping the latest structural changes in mature industrial systems, while also putting the seeds for the growth of the new and ever more sophisticated forms of the service economy.

Wider data availability has made it possible to make considerable progress in most fields of transport history, in particular as refers to the early industrializing period, roughly 1750 to 1914. Here, we have a vast understanding of the impact of canals and inland waterways, railways, and shipping on industrialization. The influence of the so-called New Economic History tradition in the 1960s—of which 1997 Nobel laureate Robert Fogel is the undisputed symbol—has been particularly important. The goal was to integrate neoclassic econometric methods into the study of economic history, focusing on the question of the importance of railways in economic development. Even though this approach initiated an important international debate on social savings that continued for more than a decade, it did not widen the scope of transport history on a permanent basis. More recently, transport development during the inter-war period—in particular motor transport, both public and private, and civil aviation—has also attracted attention. However, it can be argued that this emphasis on the relation between different modes of transport and their economic performance has been accompanied by a relative neglect for the analysis of the relation between transport and political economy. Transport history has often remained a question of numbers—measuring freights, prices, cost and revenues, and productivity, even if more

sophisticated quantitative methods sometimes are used—with scant attention to other theoretical and analytic considerations.

By relying on different strands of recent economics literature—new institutionalism and evolutionary theory in particular—this book is a commendable contribution to fill this gap. The main assumption identified by the editors and the authors is indeed that the historical development in the transport sector itself brought the state back in. In many countries the government's active engagement in the industrialization process came through the promotion of canals, roads, railways, and, later on, air transport infrastructure. In other cases, where private initiative dominated, the state still had an important role in upholding institutions and sometimes also as a creditor. Before and after WWII, the making of new regulatory orders, by nationalization or subsidization, has been a frequently used policy to cope with the crisis of the railroads, the increasing use of motor vehicles for public and private transport, and the development of air transport. During the 1980s, regulatory changes once more swept through the world, although this time a wave of deregulation re-established the private initiative. In the long term, political decisions concerning state regulatory behavior in areas such as property rights, contractual arrangements, regulations of the services supplied, and tariffs have deeply influenced corporate practices in different countries, irrespective of whether private or state-operated enterprises dominated.

The political context thus accounts for the financing of technological renewal and change, infrastructure investment, organizational patterns, and regulations. The changing performance on the transport market called for exploration and explanation from economic historians and other social scientists. Thus, the scope of transport history has slightly altered from economic, organizational and technological performance to political economy and political history. Beside the historical development itself, the theoretical traditions in several disciplines in social sciences (for example, economics, political science, sociology, business history, and economic history) concurrently showed growing interest in matters of institutional change, regulatory patterns, and path dependency. As a result, the importance of political actors as well as that of business interests in the making of regulations has been scrutinized. This expanding theoretical framework has shown itself to be fruitful for a vivid cross-disciplinary debate. Here, transport history can be regarded as a fruitful research field of great and mutual interest.

This book shows how the awareness of a broader institutional discourse helps both in rephrasing old themes and in discovering new issues in transport history. Economic historians, together with distinguished scholars from other disciplines, here present the fabric of a modern transport history in the light of the general theoretical influences sketched above, together with more traditional approaches. The focus of the chapters is either on the establish-

ment of regulation in an industry, or the long-term process bringing about a shift from one institutional pattern to another. The character of the empirical studies varies with the nature of the political and social systems examined. The scope of investigation is selective. Some studies concentrate only on economic processes and ignore the political dimension; others attempt to illuminate the interaction between political and economic processes but only for a single industry. Some studies start from, and never abandon, the traditional neo-classical model, even though the model has been adjusted to include a political dimension. Other studies are of a completely different origin, especially those dealing with norms, customs, and cultural behavior in various institutional settings. Hence, the book presents a wide variety of theoretical approaches. An unintentional effect of this theoretical multitude is a certain inconsistency, or even vagueness, that sometimes characterizes the concepts used.

The book consists of three parts. The contributors to the first section, *Transport Actors and Institutional Patterns in International Comparison*, take a cross-country perspective to analyze how the institutional framework influence the shaping of national institutions in transport. The papers in this first part all have in common the premise that seemingly similar processes should not be accepted at face value, that they need to be put into a national context of institutional patterns, bearing in mind the influences of national features imposed on actions taken by distinct actors. The focus of the first three papers is on railways, and in particular on the Prussian/German experience, which is compared to Japan (Tipton, Braach-Maksvytis, and Newell), the United States (Dunlavy), and the Netherlands (Fr mndling). The fourth paper, by a well-known air transport historian, Peter Lyth from the London School of Economics, will be of particular interest to JATWW readers. In less than 30 pages, the author provides an accurate synthesis of the main principles, policies, and problems of the world air transport industry, from its formative stage to deregulation. Or, as Lyth puts it, of the transformation of airlines "from flag-carriers to people-carriers, from national undertakings to global concerns" (p. 108).

The second theme, *Market and Transport Regulation in Europe*, concentrates on long-term market changes and regulatory patterns and responses to these challenges in various European countries. Not surprisingly, the focus is again on railways, in the United Kingdom (Gourvish on regulation and Crompton on nationalization) and Spain. The two other studies in this section deal with shipping in the United Kingdom (Armstrong) and Germany (Kunz).

As it pertains to a book edited by Swedish economists, the five contributions to the last part, *Transport Institutions Used as Politics—The Swedish Case*, focus on the role of the public sector in the development of the Swedish

transport sector. Talking of the state as an actor does not equate to analyzing the state as a homogenous agent—on the contrary, the contributions repeatedly stress the complexity of the political system and its institutional settings. This also highlights the fact that different interest groups have been able to use public regulations and also influence the making of policy decisions at their own discretion. The paper by Jan Ottosson on the origins of SAS, the Scandinavian airline, is very informative in this respect, showing the role played by political economy factors—namely lobbying by private investors and pressures from foreign competitors—in bringing about the birth of a multinational carrier endowed with monopoly landing rights.

The task of transport historians is far from completed—it has just begun. Taken together, these themes offer us an intriguing and illuminating view of today's research in the economic history of transport. Conceptual clearness and consensus will appear when both the traditional and the new institutional approach have matured. This book also raises new questions about the role of transport and communication in the ongoing transformation of the industrial society. Increasing internationalization of markets, as well as the creation of new political entities, influence the organization and performance of transport industries. The editing of this book is very accurate, not a common feature in many academic books these days, although the English used by some contributors could have been improved. Finally, it is unfortunate, at least for this reviewer, to find that the air transport sector *per se* is not analyzed in part 2 and that French experiences are not included at all.

BOOK REVIEW

Groenewege, A.D. (1999). *Compendium of International Civil Aviation* (2nd ed.). Montreal: The International Air Transport Association (IATA). Pp. 1136. ISBN 92-9171-118-7. U.S. \$229.

Reviewed by Atef Ghojbrial, Georgia State University.

The international civil aviation industry has seen drastic changes during the past nine decades. Despite the numerous articles and books on the history of aviation, there exists a need for a more thorough and comprehensive compendium as a source of information and reference on all issues, aspects and developments of civil aviation. The Compendium at hand, undoubtedly, serves this purpose.

Mr. Groenewege certainly has the qualifications to write the first comprehensive Compendium of International Civil Aviation. He started his aviation career with KLM Royal Dutch Airlines, where he was responsible for negotiating transatlantic fares and rates agreements through the International Air Transport Association (IATA) Tariff Conferences. He joined IATA in 1955 to coordinate the planning and implementation of new cargo activities and services, and was Secretary of the IATA Cargo Development Committee. In 1962, Mr. Groenewege was appointed Director Cargo Services and Secretary of the IATA Composite Cargo Tariff Conference. In 1972, he was appointed Director Traffic Services with overall responsibility for IATA passenger and cargo service, including airport handling and IATA Multilateral Interline Traffic Agreements. Mr. Groenewege became Director Industry Affairs in 1982 to develop and implement new IATA membership services, and was instrumental in establishing IATA Programme for Developing Nations (PDNA). He has lectured throughout the world, written numerous papers on a wide range of airline subjects, and is also the co-author of the book *Air Freight—Key to Greater Profit* published in 1984. Mr. Groenewege established the International Aviation Development Corporation (IADC) to provide consultancy and training services. In the past few years, the development and continued updating of the Compendium has been his major undertaking.

Atef Ghojbrial is a Professor of Transportation and Aviation Studies at the School of Policy Studies at Georgia State University. He received a Master of Business Administration (MBA) and Ph.D. in transportation from the University of California at Berkeley. He has published in many transportation journals and participated in many conferences. Dr. Ghojbrial has also consulted in many projects in the U.S. and abroad.

The Compendium of International Civil Aviation, at nearly 1,150 pages, is divided into seven major parts and seven appendices and does an excellent job of surveying the aviation industry. The Compendium can be used as an academic course on aviation history and developments and also by professionals in the aviation business.

In Part 1: Milestones in International Civil Aviation, the author presents a thorough overview of the main events and developments in international civil aviation. These events include technical developments, conferences, and airline start-ups. Part 2: The Structure of International Civil Aviation includes a thorough analysis of the development and structure of the international civil aviation. The author presents detailed discussion of the different conventions and agreements that took place since the Civil Aviation Conventions of 1919, 1928 and 1933. In Part 3: Partners in International Civil Aviation, the author surveys the main associations and organizations throughout the world that are actively involved in the development of civil aviation. In Part 4, the book provides a detailed overview of the roles of the International Civil Aviation Organization (ICAO), the International Air Transport Association (IATA), and Société Internationale de Télécommunications Aéronautiques (SITA) in promoting and servicing the aviation industry.

Part 5: The Language of International Civil Aviation contains a wealth of concepts, definitions and terms (in alphabetical order) that are commonly used by the international civil aviation community. Part 6: The Basic Library of International Civil Aviation contains comprehensive descriptions of the purpose and contents of numerous publications by ICAO, IATA, ACI and other organizations. This publication covers all main developments, policies, standards, and practices of different activities of the international civil aviation industry. Part 7: Abbreviations, Acronyms, Codes and Initialisms, contains over 17,000 entries of different abbreviations and acronyms that are an essential part of the aviation language as an accurate, convenient, economical and speedy means of communications worldwide.

The seven parts of the Compendium are complimented with seven appendices including listings of world airlines, airports, world countries, capitals, populations and currencies, air transport developments and statistics, air distances, aircraft classification, and conversion tables for weights and measures. These appendices add to the completeness of this valuable information resource.

Overall, the Compendium seems to be the first and only reference that provides a thorough overview of international civil aviation. Given the dynamic nature of the aviation industry and the political and technical changes affecting the industry, it is expected that the Compendium will be updated regularly to include these changes.