

BOOK REVIEWS

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The preceding two illustrations—of the operationalization of the roles of culture and tradition, and of naturalization and citizenship—serve to show how *Labor Movement* can inspire or, better, help regulate, disciplined thinking.

Oded Stark

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Supply Chain Network Economics: Dynamics of Prices, Flows, and Profits, by

Anna Nagurney. 2006. Series: New Dimensions in Networks. Cheltenham, U.K. and Northampton, Massachusetts: Edward Elgar. 413 + xix. ISBN 1-84542-916-8, \$160.

Anna Nagurney's book covers a variety of topics related to the management of supply chains. In particular, it uses the language of microeconomics and game theory to convey the art of constructing models of supply chain networks. The perspective is that of complex many-agent networks and decentralized decisions modeled as Nash games. Nagurney considers both static and dynamic mathematical models based on the notion of a variational inequality.

The book emphasizes applications and efficient, transparent computation but nonetheless is mathematically sophisticated. The applications most heavily emphasized are transportation and electric power, addressed respectively in the first and second sections of the book. The first of the book's three sections contains a chapter on theoretical foundations, one on "transportation network equilibrium transformations," one on supply chains and risk management, and one on dynamic supply chain networks and transportation. All four chapters in the second section are on electricity supply chains. One of the four considers dynamics under risk and uncertainty, and another is on electric power supply chains and transportation, the author demonstrating "how electric power networks, consisting of power generators, power suppliers, transmission providers, as well as consumers at the demand markets, can be reformulated and solved as elastic demand transportation network equilibrium problems" (pp. 199–200).

In the third and final cluster of chapters, Nagurney considers financial supply chains as well as environmental factors relevant to supply chains. One of these chapters is on reverse supply chain management and "e-cycling," which refers to recycling of electronic waste—often containing hazardous materials but also valuable materials—such as CRTs and computer parts. In the last chapter she shows that a "financial network model with intermediation and electronic transactions is equivalent to a transportation network equilibrium model with fixed demands as described [earlier in the book]" (p. 324). Finally, an appendix provides fundamentals of the optimization theory used in the book.

The entire book is quite easy to read and can serve as a self-contained introduction to supply chain modeling provided the reader has some basic background in finite dimensional nonlinear programming and elementary numerical analysis. Because it contains many original perspectives on supply chains as complex network systems, it is also useful as a reference for researchers and doctoral student interested in applying the theory of noncooperative games to supply chain networks.

Certainly any serious student or researcher of supply chains should have this book among his/her readily available references. It is an excellent book.

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The Economic Geography of Innovation, edited by Karen R. Polenske. 2007. New York: Cambridge University Press. 349 + xxxii. ISBN 0-521-86528-9, cloth, \$115; ISBN 0-521-68953-3, paper, \$45.

Polenske's edited volume is an impressive collection of articles that focus on spatial and institutional aspects of innovation. It consists of 14 chapters: her own introduction followed by 13 articles presented at MIT's Special Program on Urban and Regional Studies (SPURS) seminars in the fall of 2003. These chapters are organized into three sections that focus on measuring innovations, tracking information and knowledge flows, and examining innovation systems.

A monumental challenge facing researchers in this area is the difficulty in directly measuring innovations. Anne Carter's contribution here focuses on conceptual issues surrounding measurement, while Apiwat Ratanawaraha and Polenske discuss a wide range of variables that have been used in empirical studies of innovative activity. An important point raised by Carter is that, by their very nature, the concepts of innovation and measurement appear to be at odds. Using Schumpeter's definition, an innovation involves the launching of a new idea (i.e., an invention) into the market. The newness limits the usefulness of existing units of measurement. Carter remarks, "Except in special cases, innovation involves change in what we mean by a unit of such variables" as commodities, industries, resources, and prices (p. 15). A related issue she addresses is the problem of even knowing objectively that an innovation has occurred. What is viewed as innovative by some (e.g., those who have just started a practice) might be considered "old hat" to others. Similarly, Carter mentions the difficulty in assessing the importance of an innovation prior to its dispersion, which is Schumpeter's third stage of technological change.

With these limitations in mind, Ratanawaraha and Polenske's chapter provides a thorough review of the variables and methods that have been used in empirical research to measure spatial aspects of innovation. The authors combine variables into broad categories of innovative inputs, innovative outputs, innovative agents, and innovative networks. Examples of inputs include R&D expenditures and employment, outputs are patent counts and citations, agents consist of universities and R&D institutes, and innovative networks include research and technology partnerships. Methods used to examine these variables include the (ever popular) location quotient and related measures, the locational Gini coefficient, and variations of the Herfindahl-Hirschman index. Ratanawaraha and Polenske end with a discussion of the limitations of these measures and the conclusion (shared by this reviewer) that "we have not found a single innovation data measure or indicator that is ideal" (p 54).

The second part of the book is a set of articles related to flows of information and knowledge. Mia Gray and Al James contribute a very interesting paper on how gender