

Input-output economics

Wassily Leontief and Input-Output Economics. Edited by Erik Dietzenbacher and Michael L. Lahr. New York, Cambridge University Press, 2004, 418 pp., \$80/hardcover.

Many economists know that Wassily Leontief—the Russian-born, German-educated, decades-long member of the Harvard faculty—won a Nobel Prize, but few of them recognize how much his work has changed economics. After Leontief’s death in 1999, the editors of this volume organized a memorial session and invited contributions from a number of his colleagues and former students. As the editors explain in a brief preface, the papers written for that conference form the first part of this book, and they offer a number of perspectives, not always harmonious, on Leontief’s work. The second part, according to the editors, presents “new scientific research following the lines” pioneered by Leontief.

In the first chapter, Paul Samuelson reminisces about his professor’s rigorous approach to price theory and his early work on international trade and nonlinear dynamics. Samuelson notes grudgingly that Leontief devoted his middle and later decades to input-output economics, work that was the basis for the Nobel Prize. Samuelson suggests that Leontief could have found better uses for his time—a criticism that tells us as much about Samuelson as it does about Leontief.

The other eight contributors to Part I avoid striking such discordant notes. Karen Polenske stresses his unusual views on methodology. Leontief rejected the separation of theory building and empirical work. For him, theories were frameworks for understanding how systems work. Polenske points out that this approach made possible the discovery of a number of facts about the U.S. economy. As one example, she men-

tions the BLS-constructed table for 1939, which the Bureau used to make projections about the postwar economy. To the surprise of many people, these indicated that the demand for steel would remain strong (because of the direct and indirect steel content in consumer durables), and that proved to be correct. Faye Duchin offers a nuanced account of how Leontief’s thinking about international trade evolved away from equilibrium models toward models that could be used to explore alternative scenarios. She also summarizes the diverse reactions to Leontief’s surprising discovery (made with the BLS-constructed table for 1947) that American exports were labor-intensive—a finding that is still generating new models and empirical studies. Andrew Brody and Anne P. Carter take a personal approach, comparing Leontief with Joseph Schumpeter. While these two European intellectuals had different ways of doing economics, dynamics and changes in technology interested both of them. Brody and Carter describe some younger economists who use input-output relationships to track the diffusion of innovations. One of the economists they cite, Chris DeBresson, concludes the book’s first part with an interview that he conducted with Wassily and Estelle Leontief. It touches on some of the methodological themes raised by Polenske, the relationship with the Schumpeters, and Leontief’s enthusiasm for trout fishing. For reasons of space, it is not possible to comment on all the chapters.

The ten contributions to Part II shift the focus away from Leontief the person and toward current research along the lines he pioneered. The connections between present (as represented in Part II) and past research are clearer in some chapters than others. Exploring some of the same issues Leontief did, Edward Wolff’s study of the factor intensity of U.S. trade confirms that U.S. exports remain relatively

labor-intensive. Albert Steenge proposes an alternative to Leontief’s path-breaking model of pollution. Lawrence R. Klein, who pioneered the use of input-output tables in econometric models, and two colleagues present estimates of KLEMI (capital, labor, energy, materials, and information) production functions. Although Leontief did not embrace regression models, he could hardly disagree with the epigraph that begins the chapter by Klein, Duggal, and Saltzman. It says that the quantification of inter-industry transactions can be “consequential” for practical purposes. Some of the other contributions to Part II are purely theoretical exercises that have little substantive connection with Leontief’s research.

In short, the first part of the book presents stimulating perspectives on one of the giants of 20th-century economics. The second part is more specialized and less easy to evaluate.

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Labor goes to the movies

Working Stiffs, Union Maids, Reds, and Riffraff: An Expanded Guide to Films about Labor. By Tom Zaniello. Ithaca, NY, ILR Press, 2003, 434 pp., \$52.50/cloth; \$24.95/paperback.

It had to happen. Working is such a major part of most of our lives that it is only natural filmmakers would find working and workers a rich subject to explore. The greater surprise is that there are not more films focused on the activity that takes up a majority of our waking hours. So it should not come as a surprise that someone has attempted to catalog films about labor. In fact, it has happened at

least twice—this is Tom Zaniello's second attempt to catalog films of this genre. Set in alphabetical order by film title, each review includes basic information about the cast and crew, a review of the movie, and references for further reading. He also includes a chronological list to give the reader some context of how the films relate to each other over time.

At first, it seems an easy task, but as you delve into the subject the complexities become apparent. What characterizes a film as being worthy of inclusion in a guide to the cinema? There are lots of films that include pictures of working men and women, but usually their work is only a small part of the plot. Do you include the Tom Hanks/Meg Ryan film *You've Got Mail* whose plot is driven by the competition between a small bookstore owner and a bookstore chain? Zaniello's answer would be no, as he does not include this in his list. Instead, he sets out his criteria to include films about unions and labor organizations, labor history, working-class life, political movements tied to organized labor, and struggles between labor and capi-

tal. Not surprisingly, he includes such classics as *Norma Rae* and *The Full Monty*, although in reality, many of his films are small films or documentaries not known to the general public.

Looking through the titles, although he calls this an expanded guide, he means it is expanded from his first edition, not that his definition of labor has expanded. His criteria tend to favor subjects that focused on organized labor, as opposed to a wider definition of labor. So, he includes Sylvester Stallone's *F.I.S.T.* but not *Double Indemnity*, the dark film noir story that revolves around Fred MacMurray as an insurance agent out to cheat his company through murder and insurance fraud. Both revolve around the dark side of work and labor, but the lack of a union connection in the Billy Wilder film appears to keep it from being included in the book.

Unlike the films mentioned above, the second difficulty that Tom Zaniello faced was the relative obscurity of many of the movies. In his Introduction, he discusses how he learned about these various films, but it is still amazing that he was able to include

films that are probably only known today to a few thousand people worldwide, such as the 1932 classic, *Land without Bread*. Most of the films in the book are not readily available at your neighborhood video store, but many of them can be found using the Internet, and Zaniello includes a list of sources for the reader interested in tracking down these titles.

Putting together the list is itself the greatest value of this book. The book brings together in one place movies lost to the current generation and reminds us of the drama and humor implicit in working. Most readers will have found that they have seen one or more of these films at some time in their life and realize how many they have missed. Whether or not it spurs the reader to explore this rich depth of creative work, *Working Stiffs* is both a valuable reference work and an enjoyable book in its own right.

—Michael Wald

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