

# Introduction to the Palgrave Handbook of Comparative Economics

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## Abstract:

This chapter introduces the Handbook of Comparative Economics by motivating the choice of chapters collected in this edited volume and by articulating the links that exist between seemingly diverse contributions. We make explicit the historical origin of the field, namely Comparative Economic Systems, and the extent to which it matters to what comparative economics is today, before discussing the turning point that was the fall of the Berlin Wall. The subsequent move from central planning to market economies in Eastern Europe, and the importance of institutions, and institutional analysis for the field are explored, and how these led to the new approaches that came next. The chapter starts with a reflection on comparative economics, but leaves the conclusions open—to be revisited in Chapter 36.

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## 1. What's in a term?

With the fall of the Berlin Wall in 1989 and the expectation that soon the communist countries of Central Europe and the USSR would transition into capitalist market economies, most thought the field known as Comparative Economic Systems (CES) had lost its subject and indeed its very purpose – comparing capitalism and socialism. Such comparisons indeed became, if not obsolete altogether, far less important and interesting. Given the parallel renewal of emphasis on the critical role good-quality institutions play in determining economic performance, in a seminal article, Djankov, Laporta, Lopez-de-Silanes and Shleifer (2003) proclaimed CES was effectively dead and announced the birth of a New Comparative Economics (NCE), thus re-aligning the objective and definition of Comparative Economics with those of the “New Institutional Economics” (NIE). As Brada on the one hand, and Dallago and Casagrande on the other, in Chapters 2 and 5 of this Handbook show, not all analysts agreed CES was dead. Today, many still question just how new and different NCE is, and how much of relevance still remains from the old CES.

Explicitly recognising this origin, we propose here to explore what the broader umbrella field of *Comparative Economics (CE) is today? How can this term be defined?* Seeking an answer to this question was the central motivation behind the preparation of the Handbook. To address this issue, we have compiled 34 chapters by established as well as younger scholars doing research in what they consider the field of Comparative Economics or neighbouring fields. We thus set out to depict CE through an organised presentation of a large set of views and personal take on the field today, what it is about, and how it relates to other cognate fields of enquiries. In the Conclusions chapter, we return to the collective answer for the motivating question; it turns out to be neither straightforward nor singular, and in fact, one response might be that there is no precise definition of CE, yet another that there is no need for a definition; one might even say that the collective content of the Handbook constitutes a definition of Comparative Economics today.

In this introduction, we try to provide a “Road-Map” to the structure and contents of the Handbook. The big picture may be summarised as follows. The Book starts by discussing the evolution of the field from its origin to its new frontiers, goes on to illustrate how comparative analysis can be done even very far back in history. Then, it considers the important transition period from 1989 to the present when communist economies changed to market economies. The rest of the Book then explores numerous new directions work in the field is taking: comparison of institutions, different and broader approaches to growth, new issues at the forefront of policy discussion like inequality, populism, demographic decline, and novel methodologies for doing comparisons. The rest of the Introduction gives more details of our Road-Map. Section 2 elaborates on just what the old CES was, what it did, how it did this. Section 3 summarises the main lines of the evolutionary change of the old CES field into the NCE, in reaction to the end of communism and growing understanding of the importance of market-enhancing institutions. The fourth section introduces some of the more recent evolutions of the field which can be broadly summarised as falling into one of 2 groups: (i) by proposing a more nuanced or sophisticated analysis of institutions than what was suggested in Djankov et al. (2003), or (ii) by broadening the goals of development and the measures of success. These two perspectives are, for many, reminiscent of the ambitions of CES, but take full advantage of the new tools and terminologies developed since the early 1990s. Finally, the last section describes the structure of the Book.

## 2. The “Old” comparative economics: the origin of the field

The fall of the Berlin Wall was a water-shed moment for the field of Comparative Economics, and we made a deliberate choice to give a central place to this event in structuring the Book: to explicitly recognise the origins and historical evolution of the field.

In the early 1990s, one of the most influential textbooks in the field, Gregory and Stuart (1992 ,p.14) emphasised a distinction between Comparative Economics (old-CE) which compares economic phenomena at different periods of time or across countries sharing a similar “setting”, and Comparative Economic Systems (CES) which compare economic outcomes among countries with a different “setting”. By “setting”, they meant things like degree of private vs. government ownership and market vs. planning regimes. Taken literally such a view of CE (encompassing both old-CE and CES) could cover an almost boundless range of economic analysis, from a comparison of stabilisation policies of UK governments before a sterling crisis to those after, or a comparison of long-term performance in Soviet centrally planned regimes with that in market economies of Europe and North America. Perhaps because of the impossibly broad range the term opens up, in practice the field focused quite narrowly precisely on the comparison of plan vs. market, of socialism vs. capitalism. But such a focus was not merely a default option to help design separate university courses, textbooks and specialised journals - it had the additional appeal of being perhaps the only field which specifically addressed the central question put in the first chapter of all Introductory Economics textbooks: how does a society allocate its available labour, capital and natural resource wealth to achieve the optimal outcome.

Overall, CES did pretty much what it says on the tin: it compared economic systems in a horse race to establish their relative success measured through a number of different outcomes including but not limited to GDP growth<sup>1</sup>. “Economic systems” were often caricatured, especially in public discourse, to be of two diametrically opposed types: central planning versus market economy, though they were in fact defined with far more subtlety consisting of a spectrum in each of several dimensions. As explained in Gregory and Stuart, (1992, p. 23 and 2004 p. 36), these dimensions included:

1. “Organisation of decision-making arrangements: Structure”
2. “Mechanisms (rules) for the provision of information and for coordination: market and plan”
3. “Property rights: control and income”
4. “Mechanisms for setting goals and for inducing people to act: incentives”
5. “Procedures for making public choices: the role of government”

Presaging today’s new approaches to development (as described for example in Chapter 22 by Kharas and McArthur), CES indicators of success went beyond GDP growth to include macro stability, equity and broader measures of welfare, going beyond maximising aggregate income only (e.g. Koopmans and Montias, 1971). For Gregory and Stuart, these “Performance Criteria” (1992, p. 33) of Comparative Economics were thus:

1. Economic growth
2. Efficiency
3. Income distribution (fairness)
4. Stability (cyclical stability, avoidance of inflation and unemployment)

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<sup>1</sup> However, some key practitioners insisted on a more limited “positive’ rather than “normative” approach: Pryor (1985:2) mostly describing “what is” and leaving it to societies to decide what they prefer.

5. Development objectives
6. National existence<sup>2</sup>

Including “development objectives” as the fifth goal, was already opening a connection to Development Economics and allowed for country-specific objectives to be added, such as reducing or eliminating poverty, changing the structure of the economy or increasing saving and investment shares. National existence reflected the need for a system to be viable, to perpetuate itself, to be sustainable.

However, in practice empirical works of the old CES rarely took into account specific measures of institutional variables, partly because the kind of indicators that exist today were not available, but also because that was not the emphasis of these earlier economic studies. Outcomes were thus seen to be determined by the interplay of: the type of economic system in place; environmental factors including “natural resource endowments, the level of economic development, the size of the economy, labour and capital inputs, random events, and so on”- and last but not least policies (Gregory and Stuart, 1992 – page 28). “Environmental factors” are best understood as initial conditions and factor endowments. Thus institutions may have been less explicitly emphasized than they are today in the economics literature in general, but importantly, they were not ignored in the CES framework. Indeed, Gregory and Stuart used the succinct definition of economic system provided by Assar Lindbeck (cited in Gregory and Stuart, 1992, pp.16) :*“An economic system is a set of mechanisms and institutions for decision making concerning production, income and consumption.”* They further cite Frederick Pryor who lists such institutions as ‘laws and rules, traditions, beliefs, values, behaviour patterns’. In fact, Pryor’s own writings (1985: pp.405 and 14-15) follow closely today’s conventional framework of separating environmental variables, policy variables and institutional variables, and the latter are clearly divided into formal and informal ones.

### 3. From “old” to “new” comparative economics

With the nearly complete disappearance of planned economies after the fall of the Berlin Wall. Djankov et al. (2003) thus defined a “new” Comparative Economics, (NCE) explicitly assuming capitalism as the only viable economic system, with the focus now on institutions (property rights, rule of law). The objective of NCE was to identify the characteristics of the less-well performing economies focusing on the shortcomings in their institutional set-up, and how this set-up impeded development. The central indicator of performance and the core focus of NCE (in early years at least) reverted to being economic growth or income per capita, and placing efficiency at the centre of the search for the optimal institutional arrangement. The political regime (democracy versus authoritarian regimes) was now also given a prominent place among the likely explanatory factors.

This new direction presented a key advantage: it aligned the objectives of Comparative Economics with those of the New Institutional Economics and provided a logical framework. However, this had two shortcomings. First, as contended by Brada (2009), this constituted an excessive narrowing down of the field, since growth and efficiency seemed to be the only criteria against which to judge the success of a given system. This reflected a more general move within economics at the time (Stewart, 2009), whereby efficiency was seen as a key indicator, with growth and prosperity expected to trickle

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<sup>2</sup> Performance criteria 5 and 6 however are not listed in the 2004 reincarnation of the book, its seventh edition (see page 46, Gregory and Stuart, 2004), and were replaced by: “viability of economic system”.

down to benefit all in society. The second shortcoming was that as some specific institutions were being dissected, others were being neglected (as we will discuss in the next section: both of these limits have progressively been corrected). The chapters in part 4 of the Handbook illustrate the kind of research engendered by the new orientation of NCE.

#### **4. Further evolutions: More institutions, more outcomes**

Addressing the shortcoming mentioned above, the frontier in comparative economics today is to explore further what comparing different contexts can bring in terms of:

- (i) gaining a clearer sense and more detailed understanding of the role of institutions, with work being carried out towards investigating the impact of new types of institutions (culture or informal institutions for example), their complementarities (among formal institutions, or between formal and informal institutions), their persistence and change (legacies, windows of opportunity and critical junctures)
- (ii) and broadening the set of indicators of success for an economic system to include inequality and redistribution, and measures of wellbeing going beyond material wealth to include education, health or life satisfaction.

First, this broadening of both the conceptualisation of the relevant institutional set up to be investigated and the diversity of possible measures of success was to some extent already advocated by Hall and Soskice (2001). In their book on the “varieties of capitalism”, they proposed a framework to investigate the comparative advantage of nations based on a typology of institutional arrangements, thus recognising that market economies (or capitalism) could differ significantly. Their emphasis on the “varieties of capitalism” was embedded in the political economy tradition and thus included political as well as economic arrangements, but also formal as well as informal institutions.

Second, and in line with a progressive evolution in the way “development” is conceived, researchers also slowly moved away from a focus on economic growth and individual incomes, toward a larger set of outcomes and social goals. Parts 5 and 6 of the Handbook provide examples of these developments.

Perhaps surprisingly, this shift in direction can be seen as a return to the “performance criteria” of the old CES. Indeed, in the old CES, equity and redistribution were seen as important performance criteria, something that has been increasingly recognised and strongly argued in the more general context of development economics by Ravallion (2001) for example. Old-CES also recognised that development objectives could differ depending on local priorities and efforts to create a more sustainable economy, something that today is reflected in the perception of poverty and development as multidimensional concepts. The development of measures such as the Human Development Index (HDI) at the macro-level, or the Multidimensional Poverty Index (MPI) at the micro-level, have crystallised the importance of human development, beyond pure economic outcomes; while in more recent years, the sustainable development goals (SDG) propose multiple development objectives including health, education, human rights and environmental sustainability among other things.

## 5. Structure of the book

Reflecting this evolution, the Book aims to offer a comprehensive representation of what the field is today, including the newest form of comparative economic system. The Book starts with a detailed presentation of how the field of “Comparative Economic Systems” has evolved partly due to the onset of transition, different chapters discussing the conceptual relations between different interpretations of comparative economics, or different evolutionary stages. Thus, Joseph Brada reflects in Chapter 2 on the evolution from CES to NCE, highlighting in particular what might have been lost in the process. Paul Gregory, in Chapter 3, draws the key lessons of CES and, in particular, what was learned from the opening of the Soviet archives after the fall of communism. Based on his practical experience as a key policy maker, Leszek Balcerowicz in Chapter 4, discusses the importance of understanding the interplay of systems and institutions. Finally, Bruno Dallago and Sara Casagrande retrospectively provides a detailed reasoned critique of NCE, arguing it should continue to co-exist with CES to enrich the debates underlying comparative economic studies. This section will set the scene of the broad academic debate around terminology and delineation of the different sub-fields relevant to comparative economics. We will return to some of the points raised in our conclusion chapter, after a rigorous exploration of many interpretations of what comparative economics is today through the applied chapters of parts 2 to 6.

### **Part 1: Evolution of the Field of Comparative Economics Systems**

Chapter 2: An Historiography of Comparative Economics – Joseph Brada, Arizona State University

Chapter 3: Post-communist Transition and the Teaching paradigm of Comparative Economic Systems - Paul Gregory, Stanford University

Chapter 4: Theoretical concepts of Institutions and Economic Systems – Leszek Balcerowicz, Warsaw School of Economics

Chapter 5: The “New Comparative Economics” – a critical review – Bruno Dallago and Sara Casagrande, University of Trento

Part 2 illustrates how the lessons from both CES and NIE and are now used when Economic Historians assess past performance or investigate how past forces affect current outcomes. Thus, Gerard Roland in Chapter 6 and James Kung in Chapter 7 re-interpret the viability of past civilisations based on their institutional arrangements. Then, assessing economic performance in the past with the theoretical tools of today Oleh Havrylyshyn in Chapter 8 applies concepts of NIE to show how good institutions explain the strong economic performance of Mediaval Ragusa (Dubrovnik), while Filip Novokmet in Chapter 9 traces the century-long trends of income distribution, before during and after communism. Simeon Djankov in Chapter 10 demonstrates how economists can use historical developments to explain contemporary outcomes, in his case the achievements of economic liberalisation and democratisation of post-communist economies.

**Part 2: Comparative Economic Systems as Economic History**

Chapter 6: Market systems and Statist Systems in Antiquity – Gerard Roland, University of California, Berkeley

Chapter 7: Confucius and meritocracy: beyond economic systems and towards legacies and cultural norms? – James Kung, University of Hong Kong

Chapter 8: Institutions always mattered: the example of Mediaeval Ragusa – Oleh Havrylyshyn, Carleton University

Chapter 9: Long-run Inequality in Communist Countries: Before, During, and After – Filip Novokmet, University of Bonn

Chapter 10: Effect of Historical Forces on liberalisation and democratisation in Transition– Simeon Djankov, World Bank

Part 3 focuses on comparative studies of “transition” in post-communist Europe and the former Soviet Union, drawing on CES legacies and the embryonic lessons of the NCE on how to implement more efficient institutional arrangements. This was indeed a key catalytic period in the evolution of comparative economics, and in a sense Part 3 comprises a focal point in the Book, allowing the reader both to relate the experience of transition overall and to highlight the key lessons from that period for the field more generally. Chapter 11 by Oleh Havrylyshyn sets the stage by simply presenting the main statistical facts of the evolution over thirty years for the Soviet region, including measures of economic and social performance, distribution, institutional development and democratisation. The next two chapters complement each other: with Anders Åslund focusing narrowly on the importance of reform commitment by the leadership of a country, while Sergei Guriev gives a broader picture of how different political economy forces played out in different countries, impacting the reform process and key outcomes such as the rise of an oligarchy, corruption, and popular attitudes towards reforms. Chapters 14 by Nauro Campos and 15 by Vito Tanzi pair up to give an insight into the role of international institutions such as the EU and IFI’s respectively. Paul Wachtel’s Chapter 16 undertakes detailed comparative measurements of common variables to suggest that transition is virtually over as post-communist countries are no longer distinguishable from developing countries at a similar stage of development. Finally, Elodie Douarin in Chapter 17 ties in transition to the NIE investigating in depth how the process involved improvement of market-enhancing institutions, and how differing values and cultural traits resulted in different pace of implementation.

**Part 3: The Drivers of Post-Communist Transition**

Chapter 11: Thirty years of transition: the stylised facts. Oleh Havrylyshyn, Carleton University.

Chapter 12: The importance of domestic commitment. Anders Aslund, Atlantic Council

Chapter 13: Political Economy of Transition Reforms. - Sergei Guriev, Science Po Paris.

Chapter 14: The EU Anchor – an ex-post assessment. Nauro Campos, Brunel University

Chapter 15: Some reflections on transition: its roots, its complexity, the role IMF and other international organizations. Vito Tanzi

Chapter 16: Have transition countries become “normal” developing countries. – Paul Wachtel, New York University

Chapter 17: Transition as Institutional change. Elodie Douarin, SSEES UCL

Then, the fourth section of the book will focus on studies that reflect the emergence of NCE and a globalisation of the research agenda of comparative economics, but focusing on formal institutions and growth, reflecting the early conception of the field as spelt out in Djankov et al. (2003). In other

words, part 4 groups together chapters looking beyond the transition region to bring broader lessons for development, but focusing on the central objective of growth and recognising the importance of policies but also institutions to achieve this objective. In Chapter 18, Luca Uberti and Carl Knutsen provide a detailed review of the literature on human capital and institution as primary drivers of growth. They then present new evidence thanks to the use of a novel indicator of institutional quality. Chapter 19 brings policies back at the centre of the growth debate, as Joaquim Oliveira Martins and Bruno da Rocha argue for a more careful analysis of potential interactions between different policy areas. A detailed conceptual framework and their extensive review of the empirical literature support the notion that policies can be complementary and reforms thus sometimes need to progress on several fronts simultaneously to bear fruits. Jan Fidrmuc then questions the importance of economic and political liberalisation for growth in the post-communist world, including China and other Asian emerging economies. He concludes on the importance of democratic accumulation. Finally, Justin Yifu Lin presents in chapter 21 the “New Structural Economics” perspective, an approach to promoting growth recognising the importance of initial conditions and proposing a framework for incremental change towards building an advanced and competitive market economy.

**Part 4: New Comparative Economics: Growth and formal institutions**

Chapter 18: Institutions matter, but so do policies. Luca J. Uberti, SSEES UCL and Carl Henrik Knutsen, University of Oslo, Norway

Chapter 19: Policy matters – the role of complementarities. Joaquim Oliveira Martins, OECD and Bruno da Rocha, Catholic University of Porto

Chapter 20: Democracy as a driver of post-communist economic development. Jan Fidrmuc, Brunel University

Chapter 21: A comparison of transformation in China and Eastern Europe: a New Structural Economics perspective. Justin Yifu Lin, Beijing University

As already intended in part 1 however, the narrowing of the scope of research into growth and institutions brought in by NCE was quickly contested and at the same time that the Washington consensus was coming into greater scrutiny, so too the comparative economic agenda was expanding to reflect some of the frustrations that were emerging. Notably, the goals of development had to be broadened, to accommodate concerns over health and life expectancy, for example, or increasing concerns over the lack of correlation between growth and perceived quality of life. Part 5, thus groups together chapters looking into broader goals of development. Chapter 22 explicitly tackles the need to broaden the goals of development, as Homi Kharas and John McArthur detail the frustration engendered by a narrow focus on efficiency and propose a new approach, while recognising the challenges it represents. Chris Gerry in Chapter 23 focuses our attention on health outcomes and their evolution in post-communist Europe in the past 30 years, detailing many of the possible factors that might explain this evolution, from economic, political to social and cultural factors. This chapter thus illustrates the impossibility to relate wellbeing and health to economic growth only. In chapter 24, Peter Sanfey discusses the happiness gap in transition and more generally the factors that are important in building a “good life”, thus further demonstrating that wellbeing is built from many aspects of one’s life, and concluding on the need to focus on a more sustainable agenda (in line with the chapter 22). The overall disconnect between growth and happiness also underlies Robson Morgan and Fei Wang’s Chapter 25, as they investigate why economic growth in China has not led to a proportionate increase in life satisfaction, neither in urban, nor rural areas. Finally, Lauren Johnston argues, in Chapter 26, for an explicit consideration of demographic change in development policies, building from the experience of China and discussing lessons for other emerging or transition economies.



**Part 5: Much Remain of the Old? Broadening the likely drivers and the measures of success**

Chapter 22: Rethinking development: broadening the goals and altering the approach – Homi Kharas and John McArthur, Brookings Institute

Chapter 23: Explaining the heterogeneity of health outcomes in post-communist Europe – Chris Gerry, University of Oxford.

Chapter 24: Building the good life: growth, reforms and happiness in transition – Peter Sanfey, EBRD

Chapter 25: Growth and subjective wellbeing in China – Robson Morgan, University of Southern California and Fei Wang, Renmin University of China

Chapter 26: Understanding demographic challenges of transition through the China lens – Lauren Johnston, China Institute, SOAS.

Moving beyond this broadening of the goals also led many to enquire into the “forgotten” drivers of institutional change in NCE, notably the “context”, social norms, informal institutions that were implicitly important in CES but entirely missing from the early formulation of NIE and NCE. Thus part 6 starts by discussing some aspects of the political economy of reforms in Chapter 27, as Alexandru Cojocaru discusses the importance of inequality, real or perceived, in outcomes or opportunities, and their impact on policy preferences. In Chapter 28, Tomasz Mickiewicz analyses the rise of populism in Eastern Europe discussing some of the tools used to build broad-based support and highlighting key distinctive features of populism in this region compared to experience elsewhere in the world. Chapter 29 focuses on the diffusions of ideas and their impact on institutional change, as Tom Ivlevs reviews the empirical literature on “social remittances” or how migrants abroad can impact on institutional change back home by sending home new ideas and values. Chapter 29 and 30 introduce informal institutions and institutional trust. In Chapter 30, Klarita Gërxhani and Ron Wintrobe develop a theoretical model explaining the co-evolution of formal institutional quality and individual or societal tax evasion. Their model relies on the notion of “trust-based” political exchange, and emphasises the importance of social norms to explain behaviour. In a related effort, Alena Ledeneva and Adnan Efendic propose a detailed and critical literature review focusing on the ways the interplay between formal and informal institutions has been investigated so far. They argue for a new approach recognising the complexity of the relationship between formal and informal institutions, and test it empirically to explain the reliance on networks and trusted people in South East Europe. Finally, Chapter 33 presents entrepreneurship as a systemic product rather than the product of individual actions. Slavo Radosevic and Esin Yoruk present first a critical review of the entrepreneurship literature through an institutionalist lens, and more specifically building on insights from the Variety of Capitalism literature. They present three different concepts of entrepreneurship compatible with this perspective and discuss their advantages and drawbacks before discussing some empirical results illustrating an implementation of their preferred approach.

**Part 6: Addressing new issues by comparative analysis**

Chapter 27: The causes and consequences of inequality in transition. Alexandru Cojocaru, World Bank

Chapter 28: Factors behind Populism in Europe – Tomasz Mickiewicz, Aston University

Chapter 29: Institutional persistence: Does emigration affect political and institutional development in migrants' countries of origin? – Tom Ivlevs, UWE

Chapter 30: Understanding tax evasion: Combining the public choice and new institutionalist perspectives – Klarita Gërxhani, EUI, Florence and Ronald Wintrobe, Western University

Chapter 31: The rules of the game in transition: how informal institutions work in South East Europe. Alena Ledeneva, SSEES UCL and Adnan Efendic

Chapter 32: Entrepreneurship in Comparative Economics perspective. Slavo Radosevic SSEES, UCL and Esin Yoruk, University of Coventry

Our last section discusses some methodological aspects. Randolph Bruno and Saul Estrin, in Chapter 33 advocate a greater recognition of the potential benefits of investigating institutional systems, in their full diversity and through a potential clustering of associated institutions, based on their complementarities and relative advantages for achieving specific outcomes. In doing so, they argue for more empirical work to be conducted building on the logic of the Variety of Capitalism literature, and for more efforts to devise meaningful typologies of institutions to characterise specific institutional systems. Finally, they propose an empirical test focusing on the productivity of firms in under-studied economies. In Chapter 34, Francesca Gagliardi presents a detailed review of the literature on institutional complementarities based on an extensive bibliometric review. In doing so, she both illustrates the evolution of her field of interest (in terms of research questions, disciplinary-expertise of authors, or journals in which they are published) and discusses some of the reasons behind this evolution. Her work emphasises the multi-disciplinary relevance of the comparative analysis of institutions, and the complementary skills and interests of researchers from different fields. Finally, Ron Smith in Chapter 35 presents a “tour de force”, as he critically discusses approaches to establishing causality in econometrics, going through the logical steps any empirical analysis should take (from discussing the data needs and availability, establishing key stylised facts, demonstrating associations and finally establishing causality). His presentation discusses explicitly both micro- and macro- approaches and concludes on the need to learn from all steps of the analysis, recognising what can be learned from stylised facts and associations, as well as causal inference, to keep a richer and open inter-disciplinary dialogue.

**Part 7: Methodologies for comparative analysis**

Chapter 33: The Future of Comparative Economic Systems – Saul Estrin, London School of Economics and Randolph Bruno, SSEES, UCL.

Chapter 34: Institutional Complementarities in Comparative Capitalism: a bibliometric review – Francesca Gagliardi, Hertfordshire Business School

Chapter 35: The challenge of identification, and the value of descriptive evidence – Ron Smith, Birkbeck University

## 6. Some more guidance on how to read this handbook

Here are some additional clues on how to use this handbook. The handbook was designed so that each chapter could be read independently – there is no need to read all chapters, or read them in the order they are presented, to understand the points being made by each chapter individually. However, the book as a whole makes a contribution of its own, by bringing these chapters together to tell a coherent story. That story is a story of change and evolution, but also a story of return to ones' origins, of cross-disciplinary stimulation and, in places, of potentially contradictory assessments. If all questions were settled, we would probably not need a handbook of comparative economics!

If the detailed presentation of the book's outline above has not yet clarified to you which chapter you should read next, there are many ways to read it thematically, going beyond the structure we have chosen to give it. For example, if you are interested more specifically in how comparative economics relates to development economics, you might find some clues in chapter 2 and 17 (as they present some aspects of the evolution of CE, recognising some convergence towards development economics), 6 (as it presents an approach to studying economic development in antiquity relying on the notion of economic systems), 16 (as it explicitly discusses the distinction between transition economics and development economics and presents a detailed analysis of the dimensions in which an emerging economy can be investigated), chapters 21 and 26 (as they present specific approaches to development – chapter 21 argues for the new structuralist approach to development which pays closer attention to initial conditions and country-specific constraints, while chapter 26 discusses the interplay between demographic change and economic development and draws some lessons from the Chinese experience) and finally 22 ( a chapter entirely dedicated to detailing a new approach to development economics, recognising a diversity of outcomes of success and a departure from economic growth only, in a way reminiscent of old-CES).

For further suggestions, do make use of the index at the end of the volume, to identify which chapters to read if you are interested in economic growth more narrowly, or informal institutions, or variety of capitalism. Health, demography, subjective wellbeing, productivity, property rights are other examples of key words to look for. Be guided by your curiosity!

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