in the form of a low saving rate, a run-down physical infrastructure, and an education system starved of resources. In addition, Bautista and Tecson (chapter 5) draw attention to the fact that, whereas most successful episodes of trade liberalisation have been accompanied by large real depreciations, the Philippine peso appreciated in real terms at an annual rate of 5 per cent in the period 1990–96. Ultimately more worrying, however, is de Dios and Hutchcroft's concern (chapter 2) that the poor quality of the Philippine bureaucracy may be limiting the gains from reform. As they observe, 'the most successful economic reform efforts have been those that merely remove restrictions on competition; far more complicated are initiatives requiring sustained administrative capacity.'

Although the Asian financial crisis may well have reduced, or at least postponed, the reform dividend, its effect on the Philippines was certainly brief and mild in comparison with the effects on many other economies in the region. The peso depreciated sharply, but despite a subsequent tightening of liquidity and severe drought, output fell by only about one per cent in 1998, and growth resumed in the following year. The soft landing appears to have owed much to the resilience of the financial system, which managed to avoid a banking crisis. Gochoco-Bautista and Canlas (chapter 3) attribute the resilience to the strong capitalisation of the banking sector, the Philippines' low level of financial intermediation, and the fact that the capital inflow surges were smaller and later in arriving than in other Asian countries.

The later chapters of this book provide useful treatments of distributional and environmental issues. Baliscan (chapter 10) concludes that while there is no question that overall economic growth is crucial to poverty reduction, per capita income growth alone does not translate into one-for-one changes in the welfare of the poor. Changes in poverty over time depend not only on the rate but the type of growth. Manasan and Chatterjee (chapter 11) explore spatial inequality, finding a strong link between regional convergence and agricultural growth. And Coxhead and Jayasuriya (chapter 12) tell a sorry tale of environmental degradation fundamentally caused by high population growth and structural changes associated with the early stages of economic growth, but aggravated by protectionist policies and the use of state power to help elite groups exploit natural resources. They suggest that trade policy liberalisation may have a benign influence on the environment, leading to a 'cleaner' growth path, provided specific environmental externalities are addressed through targeted environmental policies.

Inevitably, this large multi-authored volume suffers from unevenness of exposition. In places it assumes rather too much background knowledge for the non-specialist reader. Elsewhere it gets bogged down in descriptive detail. At the same time, there are areas that some specialists may feel warrant more attention (the non-tradeable industries are a case in point). But these are only minor criticisms of a major and timely piece of collective scholarship, notable for its careful analysis, sensible policy recommendations, and skilful integration of a diverse range of topics.

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The Rich List: Wealth and Enterprise in New Zealand 1820–2003, by Graeme Hunt (Reed Books, Auckland, 2003), pp. xiv + 333, *The All-Time Australian 200 Rich List*, by William D. Rubinstein (Allen and Unwin, Sydney, 2004), pp. xxii + 202.

F. Scott Fitzgerald once opined that 'the rich are different from you and me'. 'Yes', replied Earnest Hemmingway, 'they have more money'. As if that were not enough, a cottage industry has arisen in the past two decades, devoted to tracking the wealth of the richest. Since 1983, BRW magazine has published an annual 'Australian Rich List' (its New Zealand counterpart started in 1986), estimating the net wealth of the richest, and describing how they came by their fortunes.

In a novel and valuable exercise William Rubinstein and Graeme Hunt have sought to extend these lists back to cover the past two centuries of wealthy Australians and New Zealanders. But how can we compare the wealth of Samuel Terry (a former convict, who owned more than one-fifth of the value of all mortgages in New South Wales at the time of his death in 1838) with the wealth of Kerry Packer today? Rubinstein's solution is to calculate each individual's wealth as a fraction of contemporary gross domestic product (GDP). Of course, this is not the ideal denominator – ideally, each individual's net worth should have been presented as a fraction of the total private wealth in Australia at that point. But one can readily see why Rubinstein has chosen to use GDP instead of private wealth: thanks to the pioneering work of Noel Butlin, the former is available annually since 1788, while the latter is not. But this still leaves the question: how good a proxy is GDP for private wealth? Two biases are readily apparent. One bias is that over the past two centuries, the government sector has grown, so personal income as a share of GDP has generally declined. The other bias is that life expectancy has risen, so if we use the rough formula that private wealth = 0.1 ×

personal income × average age, the ratio of the stock (wealth) to the flow (income) has risen. Fortunately for Rubinstein, these two biases operate in opposite directions. But I am not convinced that GDP is the best denominator that might have been used.

Taken the GDP denominator as given, Rubinstein's list does provide strong evidence that the gap between the super-rich and the rest of the population was very large in the nineteenth century,[3] with early beneficiaries of government land grants comprising many of the all-time richest Australians. By the turn of the twentieth century, merchants (e.g. Samuel Hordern) and miners (e.g. Walter Hall) began to replace pastoralists among the super-rich.

Then came a sharp decline. Rubinstein estimates that no Australian who died between 1940 and 1980 was rich enough to qualify for the all-time 200 rich list, a shift he attributes primarily to higher income taxation and estate duties. As he acknowledges, the changes might also be due to evasion of inheritance taxes, as the super-rich went to greater lengths to hide their assets from public view.[4] Yet Rubinstein's results are consistent with other estimates that have found a substantial fall in top wealth shares between the 1915 census and the late 1960s (see Schneider, 2004, pp. 40–44), as well as with a recent estimates of top income shares in Australia over the same period (Atkinson and Leigh, 2005).

The past 20 years have seen a resurgence of the super-rich. Rubinstein calculates that six individuals and three families alive today have assets sufficient to place them in the all-time 200 rich list.[5] Taking only individuals currently living in Australia, the 2004 rich list contains 10 people who can empathise with oilman John Paul Getty's aphorism: 'if you can count your money, you don't have a billion dollars'. Heading the 2004 BRW rich list is Kerry Packer, whose A$6.4 billion would have placed him 36th on the US rich list.

Graeme Hunt's analysis of the richest New Zealanders is less rigorous than Rubinstein's study. Prior to the 1980s, Hunt does not systematically estimate the wealth of most of his subjects. Instead, he focuses on discussing the ebbs and flows of their business ventures in a manner sometimes verging on the hagiographical. Nonetheless, the book provides useful insights into the industries in which the richest New Zealanders made their money. At various intervals, Hunt lists what he judges to be the 10 richest New Zealanders. In 1840, this list is dominated by shipping magnates; in 1876 by wool; in 1906 by wool and brewing; and in 1936 by brewing and car dealing. From 1966 onwards no single industry seems to predominate. The wealthiest New Zealander in 2004 was Graeme Hart, whose NZ$1.4 billion would have placed him seventh on the Australian rich list.

Hunt's book, however, would also have benefited from greater engagement with the literature on inequality in New Zealand. For example, he states at one point that 'wealth is more evenly spread now than at any time in the history of European settlement in New Zealand' (p. 277). Hunt does not present any direct evidence on this, and the claim seems improbable, given that the well-documented rise in income inequality in New Zealand during the 1980s and 1990s most likely also affected the distribution of wealth. More likely, wealth inequality on both sides of the Tasman has traced out a U-shaped pattern over the past two centuries.

Surprisingly, mainstream economists have paid little attention to rich lists as a data source. Although sociologists (e.g. Gilding, 1999) and heterodox economists (e.g. Stilwell and Ansari, 2003) have used rich lists as a data source, mainstream economics has largely ignored them. In the case of Australia and New Zealand, the only exceptions seem to be Siegfried and Round (1994) and Hazledine and Siegfried (1997), who analyse the industries in which the richest made their money, and conclude that about three-quarters grew wealthy in an industry that was competitive at the time (a similar fraction to the UK and USA). They also note that first-generation immigrants are heavily over-represented in the Australian rich list, but not on the New Zealand rich list. It is also worth noting that there are only a handful of women on each country's rich list.

In the absence of regular wealth surveys, there are few ways in which we can learn about the distribution of wealth in Australasia. One option not yet pursued

[3]The top entries on Rubinstein's all-time rich list are Samuel Terry, whose wealth was 3.3 per cent of GDP at the time of his death in 1838, Rowland Hassall (1.9 per cent in 1820), Robert Jenkins (1.8 per cent in 1822), William Clarke (1.4 per cent in 1874) and James Tyson (1.3 per cent in 1898).

[4]Rubinstein also shifts his main wealth source from probate records to the *Australian Dictionary of Biography* in 1940. However, it seems unlikely that this methodological change is the reason why no Australians who died in the period 1940–80 are in the all-time rich list. If evasion of inheritance taxes rose over this period, it would be just as likely to cause an underestimate of wealth reported in probate records, as it would be to cause an underestimate of assets reported in the *Australian Dictionary of Biography*.

[5]These are, in declining order of wealth: Rupert Murdoch, Kerry Packer, Richard Pratt, Frank Lowy, the Smorgon Family, Harry Triguboff, David Hains and family, the Lieberman family and John Gandel. The inclusion of Murdoch seems odd, as he is not an Australian citizen, and does not appear on the annual BRW rich list.

would be to use the estate multiplier method to estimate top wealth shares over the very long run, as has been done for the UK by Atkinson and Harrison (1978) and for the USA by Kopczuk and Saez (2004) (though for Australia, this method could only take us up to 1981, when federal inheritance taxes were abolished). But more use might also be made of the data produced by Rubinstein and Hunt. Hopefully, future editions of both books will make available the data in electronic form, to foster its use by antipodean researchers.

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Economic Theory and Christian Belief, by Andrew Britton and Peter Sedgwick (Peter Lang Publishers, Bern, 2003), pp. 308.

The economics of religion is a rapidly growing subfield of economics. In addition to recent articles on in the *American Economic Review*, the *Journal of Political Economy* and the *Economic Journal*, there is a *Journal of Economic Literature* survey by Larry Iannaccone (1998), and *several* books (including a volume collecting much of the recent work (Oslington, 2003)). There is even a new JEL subject code, Z12.

This book – by Andrew Britton (a British economist and thinktank director) and Peter Sedgwick (a theologian) – differs from most of the new literature. It focuses on the content of Christianity, rather than religious behaviour, or religious 'market structure'. Christian theology is translated into the language of economics, and its content compared to economics. Unlike Robert Nelson's recent books (Nelson, 1991, 2001), it does not stop at a functional comparison of economics and theology but grapples with the content of the two. The only similar recent work is by the American political scientist Steve Brams (1983), and two other British economists Ian Smith (1999, 2002) and Samuel Cameron (2002).

The introduction sets out their aim: to further the dialogue between economics and theology. They recognise the difficulties of interdisciplinary conversation, and the particularly poor record of conversation between economists and theologians. They recognise, too, the historical changes in both economics and theology and the diversity within each of the contemporary disciplines, but decide to concentrate on contemporary mainstream theology and neoclassical economics (p. 16). Among the many possible dimensions of comparison, they will emphasise the anthropologies of the two disciplines (p. 20).

The core of the book is a series of chapters where particular topics within economics are summarised, Christian teaching on the same topic translated into economic language, and then comparisons made. These topics include rationality, individualism, choice and freedom, well-being, production, competition, debt, history and equilibrium. The authors explain that they are following the order of a typical introductory economics textbook. I don't find the fit very good. But irrespective of whether the topics fit this description, there are weightier issues. Does the table of contents of an introductory textbook represent economics? Is this procedure fair to theology – might theology have an internal coherence that is destroyed by treating it this way? Are there aspects of theology, such as eschatology,[6] that do not correspond to any topic in an introductory economics textbook?

Despite these reservations, many insightful observations are made in the core chapters. I found the discussion (p. 67 etc) of freedom in neoclassical choice theory thought provoking. The same may be said for their argument that divine freedom makes human freedom possible, their discussion of the Trinity from an economic point of view (p. 70),

[6]The branch of theology that is concerned with the end of the world or of humankind.