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# Review of Long-Wave Rhythms in Economic Development and Political Behavior, by B.J.L. Berry

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A Reconsideration" (*Explorations in Economic History* 15 [Apr. 1978]) listed in the sections on labor supply, internal migration, and possibly textiles. In fact, it appears in none of these places.

A more serious problem concerns the scope of the bibliography. The manner in which entries were selected is not explicitly described. Was the search restricted to certain authors? Or to certain journals? Or was some other method employed? In any event there are some surprising omissions; among them are: Alfred Chandler, *The Visible Hand* (Cambridge MA 1977), Sidney Homer, *A History of Interest Rates* (New Brunswick, NJ 1963), and Clarence Danhof, *Change in Agriculture* (Cambridge, MA 1969). Perhaps these books fall outside the field of historical economics, but their absence reduces the usefulness of this bibliography.

Because of the time involved in bringing this project to publication the bibliography also excludes items published after 1980. While this was probably not much of a limitation when work was begun, it means that the book is already somewhat dated. It should be noted, though, that a relatively large number of unpublished (as of 1980) working papers are included in the bibliography. While this feature will undoubtedly be useful for some readers, it is likely to prove frustrating to others who don't know whether or where these papers may subsequently have been published.

McCloskey and Hersh have produced a useful guide to the literature, and one that meets their stated objective of providing a "usefully coherent" book which could serve "as a starting point for further research and as a reminder for reading lists." It is a useful supplement to other bibliographies of economic and business history, but it is not a comprehensive guide to the literature of historical economics. I hope that the authors and publishers intend this book as the beginning not the end of their work, and will build on the foundation they have laid—refining their classification scheme, broadening the scope of the bibliography, and extending it to include more recent years. If they do, they will eventually produce a truly definitive guide to the literature of historical economics.

JOSHUA L. ROSENBLOOM, *University of Kansas*

*Long-Wave Rhythms in Economic Development and Political Behavior.* By Brian J. L. Berry. Baltimore: The Johns Hopkins University Press, 1991. Pp. xiv, 242. \$49.50, cloth; \$19.95, paper.

In this short book, Brian Berry seeks to advance the notion of long waves (or Kondratiev waves) in historical price movements. In particular, he focuses on annual growth rates of U.S. wholesale prices, 1790–1988. To make his argument, Berry presents 93 detailed figures and 5 tables, which purport to show the existence of long waves in the annual growth rates of wholesale prices, as well as long swings (or Kuznets cycles) in time series for real GNP and real per capita GNP. These time series are manipulated via moving averages (4-year and 10-year), which are computed both annually and every fifth year, in order to smooth the series.

Berry introduces the potential problem of the "Slutsky effect," wherein the use of moving averages is said to introduce cycles into series which are, in fact, cycle free. However, he rejects this possibility after computing 4-year moving averages of U.S. wholesale prices, and then overlaying a "decoupled" 4-year moving average computed every fifth year. His argument: "Four-year average growth rates computed every fifth year have a one-year gap that precludes propagation, because individual averages are decoupled" (p. 18). The test of this argument is visual as several figures present overlapped annual growth rates, plus 4-year and 10-year moving averages (both "normal" and "decoupled") for the reader's inspection. Although some may find this approach persuasive, others (including the reviewer) will remain unconvinced about the neutrality of moving-average processes.

In any event, Berry argues for the existence of long waves in prices, where the

complete wave has a period of some 55 years. Beyond this, however, he argues there are two Kuznets cycles (or long swings) in real growth rates embedded within each of the long (price) waves. These cycles-within-cycles are said to be “synchronized” so that two 25-to-30-year Kuznets cycles (of real growth rates) “fit” within each long wave (of prices). This mechanism is driven as an oscillating series by an endogenous historical process: “Each phase is a consequence of the sequence that precedes it, and the phases are synchronized in approximately 55-year waves within which 25-to-30-year cycles are embedded” (p. 10).

The causal chain which links the 25-year Kuznets real-growth-cycle to the 55-year Kondratiev price wave is alternating moods of optimism and pessimism. As Berry sees it successful growth engenders optimism which results in speculative excess. This turn of fortune leads to pessimism which results in mass depression. From a Kondratiev peak, a crisis ensues in the sense that prices start to decline just as real growth rates are surging in a Kuznets-cycle upswing. At the peak of the first Kuznets cycle, prices continue their decline so that both Kuznets and Kondratiev movements are heading towards a simultaneous trough (a depression). From this joint Kuznets/Kondratiev trough, prices and real output both begin to rise, but at the peak of the second Kuznets cycle, real growth rates start to decline, while prices continue their upswing to the next Kondratiev peak—where the cycles begin again.

As to statistical methodology, aside from the use of moving averages, Berry brings chaos theory into the argument to demonstrate the presence of a “strange attractor” in relevant time series, which he says suggest the existence of long waves. There is no consideration of frequency-domain techniques such as spectral, cross-spectral, or range-standard deviation analyses in this search for long waves. The data series referenced are generally from the U.S., and include birth rates from 1900 to the late 1980s, deflated stock prices (1790–1988), and the Friedman & Schwartz money growth and NNP series.

The author manages to bring under consideration a wide range of literature dealing with one or another aspect (or “theory”) of long waves, including Elliott waves in financial returns; long cycles in American politics and the timing of so-called critical elections; war wages, power cycles, and other more dubious schemata advanced by political scientists, futurists, or other writer. The bibliography is mostly complete (he missed—or ignored—the reviewer’s modest contributions to the long-wave debate), but a number of curious dating errors creep in at significant points. For instance, he misdates the Friedman-Schwartz *Monetary History of the U.S.* in several places (giving it as 1983), and similarly the important *International Economic Review* article of Roger Bird *et al.* (giving it as 1985 instead of 1965). These errors are all the more curious given the prominent place of these two works in Berry’s argument.

In sum, the book is short, interesting reading, but may leave one with the feeling that economic history has somehow cycled deeply into science fiction.

JOHN C. SOPER, *John Carroll University*

*International Technology Transfer: Europe, Japan, and the USA, 1700–1914.* Edited by David J. Jeremy. Aldershot, England: Edward Elgar, 1991. Pp. xiii, 253. \$68.95.

This is an excellent collection of essays by twelve contributors (from Britain, the United States, Australia, and Japan). The editor has defined technology broadly, as “knowledge about the ways in which processes and products are designed, made or organized” (p. 1). Each author was asked to consider (1) factors inhibiting technological transfer, (2) features related to the movement of technology across borders (including institutions for and speed in transfer), (3) matters associated with the adoption of technology in the recipient country, (4) modifications of imported technology, and (5) reverse flows after modifications. The contributors followed that editorial mandate, and the book contains