

INDUSTRIAL ECONOMICS: ISSUES AND PERSPECTIVES

Industrial Economics: Issues and Perspectives

Paul R. Ferguson

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Preface

The industrial economics courses taught at the University of Lancaster have always been rather heretical. Philip Andrews and Elizabeth Brunner had an enduring belief in the strength of competition and were sceptical about the relevance of the ‘structure–conduct–performance’ (SCP) approach which dominated the subject. Harry Townsend, following the eclectic tradition of the London School of Economics, had a similar distaste for this paradigm, believing it to be too constraining. As long ago as 1972, he introduced transaction costs as a key element of the undergraduate industrial economics course, but even today this topic is ignored (or given scant attention) in many such courses elsewhere. Hence, as both a student and a lecturer at Lancaster, I have been made aware of alternative interpretations and approaches to the study of industrial economics which are only now beginning to receive wider recognition.

The Lancaster tradition of non-conformity is continued in this book, which differs in scope from other texts in the field of industrial economics. It covers the mainstream analysis, but challenges this approach – and the resulting policy conclusions – by introducing many of the less well-known developments in the area.

Without the help of many friends and colleagues, this book would have taken much longer to write. Andrea Pezzoli made many valuable comments while Harry Townsend gave enthusiastic support and help. Ron Bowen’s lack of knowledge of economics, but careful attention to detail, removed much of the jargon. The boundless energy and enthusiasm of Professor Balasubramanyam led me to discover that I could work twice as hard as I had previously thought possible. My greatest debts are to Gerry Steele, who amazed me for his capacity meticulously to examine every draft I produced (and, furthermore, by his claim to enjoy such an onerous task) and to my wife, Glenys. As the book slowly advanced, she decided that the fastest way to rediscover leisure would be to help me. She finished up spending as long on the book as I did, and, in this sense, it is as much her effort as mine. Nevertheless, any remaining errors are my own responsibility.

This is the point where authors traditionally thank their secretary for her miraculous ability to decipher almost illegible handwriting; in this case thanks must go to my wordprocessor. Furthermore, I believe that I could

have dispensed with the technical skills of the publisher and typeset the book myself. In fact, I could have performed all the publisher's tasks equally well, given the assumption that information is perfect, and in the absence of uncertainty and transaction costs. But if that were the case, there would also have been no need for me to write this book, and I would be doing a different job.

PAUL R. FERGUSON