the lengthening of the "chain" since more data needs to be analysed. Therefore, in some circumstances, increased disclosure and monitoring of investment managers may aggravate rather than resolve the problems of the "chain", as investment fund trustees have information processing limitations of their own. These problems are reflected in "closet benchmarking" and "leaning for the tape" practices, as discussed in Chapter 1. Nevertheless, chapters 6 and 7 make a case for additional disclosures through the extension of the fiduciary duty to include non-financial concerns, like investment responsibility.

In the same fashion, policies "shortening" the "chain" and facilitating direct investments will result to loss of expertise. The book stresses that, although some links of the chain are there simply to demonstrate that things are done "by the book", as discussed in chapter 2, they also solve clear problems. The idea that a shorter, "in-house" "chain" will reconcile priorities is not self-evident. On the contrary one of the most important conclusions of chapters 2-7 is that the presence of different interests within financial institutions is the norm.

The book criticises existing regulatory policies and makes some interesting, if inconclusive, policy suggestions. The key idea is to focus on management fees transparency and reduction of active management compensation, using index-chaser funds as a pressure mechanism. In the optimistic scenario, lower fees may lead financial intermediaries to exploit economies of scale and integrate vertically tempering the problems of the "chain".

I fully recommend the book for productive reading because it touches on an important issue: that financial intermediation is not passive. It is a problem which haunts "representative agent" asset pricing models like the CAPM and is responsible for their empirical failure. Although it takes a decisive step in the right direction, by introducing the "investment chain", the book does not consider its "links" as profit-motivated entities. If they had done so a new asset pricing theory would emerge.

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*Poverty reduction in the course of African Development*
By Machiko Nissanke and Muna Ndulu
Oxford University Press, Oxford, 2017

The limitations of assessing growth outcomes independent from their impact on poverty, inequality and employment, have been long known. This has spurred new (composite) measures of development, reflections on what should ultimately be the objective of development and how policy can achieve poverty reduction alongside growth. Theoretical contributions also suggest that high levels of inequality and poverty themselves negatively affect growth, be it by contributing to political instability, limiting access to education and credit or undermining the growth of purchasing power. In short, the questions how growth relates to inequality and poverty (G-I-P nexus) and how inequality and poverty relate to growth (I-P-G nexus) touch on the two most fundamental questions of development: (1) what is development and how do we recognize it when we see it and (2) which factors contribute to achieving development.

*Poverty reduction in the course of African development* edited by Nissanke and Ndulu is a collection of twelve essays in honour of Eric Thorbecke who has made seminal contributions to this field including (among many other) the Foster-Geer-Thorbecke index. The essays cover numerous monetary and non-monetary dimensions of poverty and inequality in sub-Saharan Africa (SSA) from a comparative and country-specific perspective. They give an overview of the main trends across the continent and a myriad of detail necessary to trace the anatomy of poverty, inequality and deprivation in SSA.

The first major contribution of the book lies in providing the reader with an updated and extensive overview of data on poverty and inequality available in the SSA context. McKay, for instance, draws on surveys in SSA's 18 largest economies, while Fosu makes use of World Bank data revised in 2012 and Alkire and Hosseini assess multiple dimensions of deprivation using the Multidimensional Poverty Index (MPI).

Secondly, the book deploys a multitude of innovative methods to analyse these data descriptively and econometrically. Fosu, for example, introduces a measure of 'growth-poverty transformation efficiency' and estimates the income and inequality elasticity of poverty, both allowing for important comparative analysis. Alkire and Housseini develop a measure to assess inequality in deprivation across the poor within a country or region, which provides a useful entry point into the political economy of poverty reduction. Sahn and Younger construct health and education incidence curves showing whether access to these services increased at a faster rate in poorer income brackets. Dang et al show ways to construct a 'synthetic panel' and Davies applies one of Thorbecke's less well-known methodologies, the 'structural path analysis and multiplier decomposition' within a social accounting matrix framework to the context of South Africa. Even though data requirements for SAMs exceed availability outside of South Africa, this method can be a useful starting point for structured thinking combined with qualitative evidence around the issue of spending multipliers in the presence of inequality.

All of these methods provide useful blueprints for work elsewhere, be it to trace causal relationships around the G-I-P and I-P-G nexuses in SSA or to inform policy evaluation. The contributions by Kabubo-Mariara et al, Dang et al and Mason and Smale provide applications that can inform the design of welfare policies (for the case of Kenya and Senegal) and impact assessments of policies (at the example of hybrid seeds subsidies in Zambia).

Overall, the authors are very careful in highlighting that correlations presented are not tantamount to causation (e.g. Dang et al: 209). The chapters by Ndulu and Nissanke offer theoretical frameworks for the G-I-P nexus and the volume also suggests hypotheses around the I-P-G nexus, drawing in particular on Thorbecke's research on inequality and political instability. Other channels are worth exploring at greater empirical and theoretical depth in future research, including distribution and its effects on the growth of purchasing power and ultimately output in the economy.

Taken together, this compilation of empirical studies and methods around the themes of poverty and inequality in SSA provides a much-needed update of SSAs poverty and inequality profile, an entry point into policy design and evaluation as well as the establishment of causal relationships around G-I-P and I-P-G.

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