

In Defense Of Globalization Jagdish N Bhagwati

Each chapter in this book analyses how the respective federation may look under a variety of future international scenarios.

Free trade, indeed economic globalization generally, is under siege. The conventional arguments for protectionism have been discredited but not banished. And free trade faces strong new challenges from a variety of groups, including environmentalists and human rights activists as well as traditional lobbies who wrap their agendas in the language of justice and rights. These groups, claiming a general interest and denouncing free trade as a special interest of corporations and other capitalist forces, have organized large and vocal protests in Seattle, Prague, and elsewhere. Based on his acclaimed Stockholm lectures and picking up where his widely influential *Protectionism* left off, Jagdish Bhagwati applies critical insights from revolutionary developments in commercial policy theory--many his own--to show how the pursuit of social and environmental agendas can be creatively reconciled with the pursuit of free trade. Indeed, he argues that free trade, by raising living standards, can serve these agendas far better than can a descent into trade sanctions and restrictions. After settling the score in favor of free trade, Professor Bhagwati considers alternative ways in which it can be pursued. Chiefly, he argues in support of multilateralism and advances a withering critique of recent bilateral and regional free trade agreements (including NAFTA) as preferential arrangements that introduce growing chaos into the world trading system. He also makes a strong case for "going it alone" on the road to trade liberalization and endorses the reemergence of unilateral liberalization at points around the globe. Forcefully, elegantly, and clearly written for the public by one of the foremost economic thinkers of our day, this volume is not merely accessible but essential reading for anyone interested in economic policy or in the world economy.

A powerful case for the global market economy The debate on globalization has reached a level of intensity that inhibits comprehension and obscures the issues. In this book a highly distinguished international economist scrupulously explains how globalization works as a concept and how it operates in reality. Martin Wolf confronts the charges against globalization, delivers a devastating critique of each, and offers a realistic scenario for economic internationalism in the future. Wolf begins by outlining the history of the global economy in the twentieth century and explaining the mechanics of world trade. He dissects the agenda of globalization's critics, and rebuts the arguments that it undermines sovereignty, weakens democracy, intensifies inequality, privileges the multinational corporation, and devastates the environment. The author persuasively defends the principles of international economic integration, arguing that the biggest obstacle to global economic progress has been the failure not of the market but of politics and government, in rich countries as well as poor. He examines the threat that terrorism poses and maps the way to a global market economy that can work for everyone.

A detailed examination of the GATT regime for international trade, discussing the negotiating record, policy background, economic rationale, and case law. The General Agreement on Tariffs and Trade (GATT) was created alongside other towering achievements of the post-World War II era, including the United Nations, the World Bank, and the International Monetary Fund. GATT, the first successful agreement to generate multilateral trade liberalization, became the principal institution to administer international trade for the next six decades. In this book, Petros Mavroidis offers detailed examination of the GATT regime for international trade, discussing the negotiating record, policy background, economic rationale, and case law. Mavroidis offers a substantive first chapter that provides a detailed historical background to GATT that stretches from the 1927 World Economic Conference through Bretton Woods and the Atlantic Charter. Each of the following chapters examines the disciplines agreed to, their negotiating record, their economic rationale, and subsequent practice. Mavroidis focuses on cases that have influenced the prevailing understanding of the norm, as well as on literature that has contributed to its interpretation, and the final outcome. In particular, he examines quantitative restrictions and tariffs; the most favored nation clause (MFN), the cornerstone of the GATT edifice; preferential trade agreements and special treatment for products originating in developing countries; domestic instruments; and exceptions to the obligations assumed under GATT. This book's companion volume examines World Trade Organization (WTO) agreements regulating trade in goods.

Policy discourse in India tends to be dominated by assertions unsupported by facts, with the media indulging one and all without proper scrutiny. Often, the result is the creation and perpetuation of myths of all kinds. Thus, many believe today that poverty, illiteracy and ill-health afflict India because its leadership ignored them in favour of growth for its own sake; that the economic reforms that focused on growth have failed to help the poor, especially the socially disadvantaged; that any gains claimed in poverty alleviation derive from the use of progressively lower poverty lines; and that even if gains have been made, with one in two children suffering from malnutrition, reforms have done precious little to improve health outcomes. In this definitive book on economic reforms in India since Independence, Bhagwati and Panagariya decisively demolish these and other myths, which critics use as weapons to wound and maim the reforms. Using systematic data and analysis, they forcefully show that once the debris of critiques of India's reforms is cleared, it becomes evident that intensification of reforms - that allows sustained rapid growth - is the only way to lift millions out of poverty, illiteracy and ill-health. They argue that only growth can provide sufficient revenues for the provision of education and good health for the masses.

Reforms and Economic Transformation in India is the second volume in the series *Studies in Indian Economic Policies*. In this book, nine original essays pursue three interrelated themes: Why the movement of workers out of agriculture, into industry and services, and from informal to formal employments has been slow, explaining the impact the reforms have had on profitability and competition among enterprises, and analyzing the impact on the socially disadvantaged in terms of wage and education outcomes and entrepreneurship.

How did the rich countries really become rich? In this provocative study, Ha-Joon Chang examines the great pressure on developing countries from the developed world to adopt certain 'good policies' and 'good institutions', seen today as necessary for economic development. His conclusions are compelling and disturbing: that developed countries are attempting to 'kick away the ladder' with which they have climbed to the top, thereby preventing developing countries from adopting policies and institutions that they themselves have used.

"A damning denunciation of things as they are, and a platform for how we can do better."—Andrew Leonard, *Salon* Building on the international bestseller *Globalization and Its Discontents*, Joseph E. Stiglitz offers here an agenda of inventive solutions to our most pressing economic, social, and environmental challenges, with each proposal guided by the fundamental insight that economic globalization continues to outpace both the political structures and the moral sensitivity required to ensure a just and sustainable world. As economic interdependence continues to

gather the peoples of the world into a single community, it brings with it the need to think and act globally. This trenchant, intellectually powerful, and inspiring book is an invaluable step in that process.

Many prominent critics regard the international financial system as the dark side of globalization, threatening disadvantaged nations near and far. But in *The Next Great Globalization*, eminent economist Frederic Mishkin argues the opposite: that financial globalization today is essential for poor nations to become rich. Mishkin argues that an effectively managed financial globalization promises benefits on the scale of the hugely successful trade and information globalizations of the nineteenth and twentieth centuries. This financial revolution can lift developing nations out of squalor and increase the wealth and stability of emerging and industrialized nations alike. By presenting an unprecedented picture of the potential benefits of financial globalization, and by showing in clear and hard-headed terms how these gains can be realized, Mishkin provides a hopeful vision of the next phase of globalization. Mishkin draws on historical examples to caution that mismanagement of financial globalization, often aided and abetted by rich elites, can wreak havoc in developing countries, but he uses these examples to demonstrate how better policies can help poor nations to open up their economies to the benefits of global investment. According to Mishkin, the international community must provide incentives for developing countries to establish effective property rights, banking regulations, accounting practices, and corporate governance--the institutions necessary to attract and manage global investment. And the West must be a partner in integrating the financial systems of rich and poor countries--to the benefit of both. *The Next Great Globalization* makes the case that finance will be a driving force in the twenty-first-century economy, and demonstrates how this force can and should be shaped to the benefit of all, especially the disadvantaged nations most in need of growth and prosperity.

Over the past two decades, the percentage of the world's population living on less than a dollar a day has been cut in half. How much of that improvement is because of—or in spite of—globalization? While anti-globalization activists mount loud critiques and the media report breathlessly on globalization's perils and promises, economists have largely remained silent, in part because of an entrenched institutional divide between those who study poverty and those who study trade and finance. *Globalization and Poverty* bridges that gap, bringing together experts on both international trade and poverty to provide a detailed view of the effects of globalization on the poor in developing nations, answering such questions as: Do lower import tariffs improve the lives of the poor? Has increased financial integration led to more or less poverty? How have the poor fared during various currency crises? Does food aid hurt or help the poor? *Poverty*, the contributors show here, has been used as a popular and convenient catchphrase by parties on both sides of the globalization debate to further their respective arguments. *Globalization and Poverty* provides the more nuanced understanding necessary to move that debate beyond the slogans.

Globalisation is a timely and controversial topic. Against the chorus of globalisation's proponents and detractors, the authors propose an approach for measuring globalisation and its consequences. Undertaking a comprehensive review of the literature on globalisation and using data from the MGI and KOF indices, the well-respected authors build a framework for defining globalisation and analyzing the relationships among economic, political, and social variables.

With contributions from leading thinkers such as J. Bhagwati and Robert Solow, this edited collection examines some hotly debated issues in today's world. The significance of globalization and its effects on welfare states is discussed and analyzed. A special chapter is devoted to terrorism, and it is explained why some people are willing to sacrifice their lives to gain 'heavenly goods'. The role of multinationals in the globalization process is examined as is the importance of changing and evolving social norms regarding work and leisure for the survival of today's welfare states.

"Through a combination of text, quotations, cartoons, tables, charts, and graphs, Bhagwati ... looks at the forces for and against protection."--Jacket.

Name any industry and more likely than not you will find that the three strongest, most efficient companies control 70 to 90 percent of the market. Here are just a few examples: McDonald's, Burger King, and Wendy's General Mills, Kellogg, and Post Nike, Adidas, and Reebok Bank of America, Chase Manhattan, and Banc One American, United, and Delta Merck, Johnson & Johnson, and Bristol-Myers Squibb Based on extensive studies of market forces, the distinguished business school strategists and corporate advisers Jagdish Sheth and Rajendra Sisodia show that natural competitive forces shape the vast majority of companies under "the rule of three." This stunning new concept has powerful strategic implications for businesses large and small alike. Drawing on years of research covering hundreds of industries both local and global, *The Rule of Three* documents the evolution of markets into two complementary sectors -- generalists, which cater to a large, mainstream group of customers; and specialists, which satisfy the needs of customers at both the high and low ends of the market. Any company caught in the middle ("the ditch") is likely to be swallowed up or destroyed. Sheth and Sisodia show how most markets resemble a shopping mall with specialty shops anchored by large stores. Drawing wisdom from these markets, *The Rule of Three* offers counterintuitive insights, with suggested strategies for the "Big 3" players, as well as for mid-sized companies that may want to mount a challenge and for specialists striving to flourish in the shadow of industry giants. The book explains how to recognize signs of market disruptions that can result in serious reversals and upheavals for companies caught unprepared. Such disruptions include new technologies, regulatory shifts, innovations in distribution and packaging, demographic and cultural shifts, and venture capital as well as other forms of investor funding. Years in the making and sweeping in scope, *The Rule of Three* provides authoritative, research-based insights into market dynamics that no business manager should be without.

An honest discussion of free trade and how nations can sensibly chart a path forward in today's global economy Not so long ago the nation-state seemed to be on its deathbed, condemned to irrelevance by the forces of globalization and technology. Now it is back with a vengeance, propelled by a groundswell of populists around the world. In *Straight Talk on Trade*, Dani Rodrik, an early and outspoken critic of economic globalization taken too far, goes beyond the populist backlash and offers a more reasoned explanation for why our elites' and technocrats' obsession with hyper-globalization made it more difficult for nations to achieve legitimate economic and social objectives at home. Ranging over the recent experiences of advanced countries, the eurozone, and developing nations, *Straight Talk on Trade* charts a way forward with new ideas about how to reconcile today's inequitable trends with liberal democracy and social inclusion.

"A revision and expansion of the book originally published by Timbro in Swedish as *Världens Klassresa* (1999)"--Introd. Includes bibliographical references (p. 149-155) and index.

In Defense of Globalization With a New Afterword Oxford University Press

This book explores how sweatshops provide the best opportunity to workers and the role they play in the process of development.

Skilled immigration into rich countries and competition for talent and professional skills are of major concern among nations today. Comprehensive immigration reform addressed to illegal immigration predictably foundered in Congress last year. This revived the question of skilled immigration and was hastily added to the proposed reform agenda in the hope that it would bring more pro-immigration troops into battle. Immigration reform still failed but it will not die. The specific issue of skilled immigration, and how to redesign it, will remain one of the central issues before the world community as well. How important is this phenomenon? How do the legal-immigration systems of rich countries address this need? How do professional associations that may find such inflows a threat to their members' earnings seek to curtail these flows? What are the implications on the sending countries, which are generally less developed, when rich countries admit skilled professionals from them? Is it correct to object that the

rich countries are depriving the poor ones of badly needed professionals (especially in Africa)? What should our immigration policies be in this regard? How should tax policy, for example, be changed in light of the growing phenomenon of skilled migrant flows? These and a host of related policy questions are addressed uniquely in *Skilled Immigration Today*. Bhagwati and Hanson present an informed awareness of the rich historical analysis of the phenomenon and several policy initiatives already attempted with sophisticated theoretical analysis. The essays, with an overview that ties them together, are written by today's foremost immigration experts.

An examination of China's participation in the World Trade Organization, the conflicts it has caused, and how WTO reforms could ease them. China's accession to the World Trade Organization (WTO) in 2001 was rightly hailed as a huge step forward in international cooperation. However, China's participation in the WTO has been anything but smooth, with China alienating some of its trading partners, particularly the United States. The mismatch between the WTO framework and China's economic model has undermined the WTO's ability to mitigate tensions arising from China's size and rapid growth. What has to change? China and the WTO demonstrates that unilateral pressure, by the United States and others, is not the answer. Instead, Petros Mavroidis and André Sapir show that if the WTO enacts judicious reforms, it could induce China's cooperation, leading to a renewed confidence in the WTO system. The WTO and its predecessor, the General Agreement on Tariffs and Trade, are predicated on liberal domestic policies. They managed the previous accessions of socialist countries and big trading nations, but none were as large or powerful as China. Mavroidis and Sapir contend that for the WTO to function smoothly and accommodate China's unique geopolitical position, it needs to translate some of its implicit principles into explicit treaty language. To make their point, they focus on two core complaints—that Chinese state-owned enterprises (SOEs) benefit from unfair trade advantages, and that domestic companies, private as well as SOEs, impose forced technology transfer on foreign companies as a condition for accessing the Chinese market—and they lay out specific proposals for WTO reforms. In an age of global trade disputes, China and the WTO offers a timely exploration of unprecedented challenges to the current multilateral system and fresh ideas for lasting solutions.

Despite troubled trade negotiations, global trade—and trade policy—will thrive in the twenty-first century, but with a bow to the past. Is the multilateral trading order of the twentieth century a historical artifact? Was the creation of the World Trade Organization in 1995 the high point of multilateral cooperation on trade? This new volume, edited by Bernard M. Hoekman and Ernesto Zedillo, assesses the relevance of the WTO in the context of the rise of China and the United States' turn toward unilateral protectionism. The contributors adopt a historical perspective to discuss changes in global trade policy trends, adducing lessons from the past to help understand current trade tensions. Topics include responses to U.S. protectionism under the Trump administration, the policy dimensions of trade in services and the rise of the digital economy, how to strengthen the WTO to better negotiate new rules of the game and adjudicate disputes, managing China's integration into the global trade system, and the implications of global value chains for economic development policies. By reflecting on past episodes of protectionism and how they were resolved, *Trade in the 21st Century* provides both context and guidance on how trade challenges can be addressed in the coming decades.

Marshalling facts and the latest research findings, the author systematically refutes the adversaries of globalization, markets, and progress. This book will change the debate on globalization in this country and make believers of skeptics.

Written by a religious historian, this is an introduction to early Christian thought. Focusing on major figures such as St Augustine and Gregory of Nyssa, as well as a host of less well-known thinkers, Robert Wilken chronicles the emergence of a specifically Christian intellectual tradition. In chapters on topics including early Christian worship, Christian poetry and the spiritual life, the Trinity, Christ, the Bible, and icons, Wilken shows that the energy and vitality of early Christianity arose from within the life of the Church. While early Christian thinkers drew on the philosophical and rhetorical traditions of the ancient world, it was the versatile vocabulary of the Bible that loosened their tongues and minds and allowed them to construct the world anew, intellectually and spiritually. These thinkers were not seeking to invent a world of ideas, Wilken shows, but rather to win the hearts of men and women and to change their lives. Early Christian thinkers set in place a foundation that has endured. Their writings are an irreplaceable inheritance, and Wilken shows that they can still be heard as living voices within contemporary culture.

Describes the author's experiences as the Director-General of the World Trade Organization, tracing his rise from a disadvantaged youth, explaining his reform efforts to help the WTO move on from the debacle of Seattle to the successful Doha meeting, and offering a passionate defense of the principles of free trade.

In this work, Amrita Narlikar argues that, contrary to common assumption, modern-day politics displays a surprising paradox: poverty - and the powerlessness with which it is associated - has emerged as a political tool and a formidable weapon in international negotiation. The success of poverty narratives, however, means that their use has not been limited to the neediest. Focusing on behaviours and outcomes in a particularly polarising area of bargaining - international trade - and illustrating wider applications of the argument, Narlikar shows how these narratives have been effectively used. Yet, she also sheds light on how indiscriminate overuse and misuse increasingly run the risk of adverse consequences for the system at large, and devastating repercussions for the weakest members of society. Narlikar advances a theory of agency and empowerment by focusing on the life-cycles of narratives, and concludes by offering policy-relevant insights on how to construct winning and sustainable narratives.

Describes the state of postwar development policy in Africa that has channeled billions of dollars in aid but failed to either reduce poverty or increase growth, offering a hopeful vision of how to address the problem.

In the passionate debate that currently rages over globalization, critics have been heard blaming it for a host of ills afflicting poorer nations, everything from child labor to environmental degradation and cultural homogenization. Now Jagdish Bhagwati, the internationally renowned economist, takes on the critics, revealing that globalization, when properly governed, is in fact the most powerful force for social good in the world today. Drawing on his unparalleled knowledge of international and development economics, Bhagwati explains why the "gotcha" examples of the critics are often not as compelling as they seem. With the wit and wisdom for which he is renowned, Bhagwati convincingly shows that globalization is part of the solution, not part of the problem. This edition features a new afterword by the author, in which he counters recent writings by prominent journalist Thomas Friedman and the Nobel Laureate economist Paul Samuelson and argues that current anxieties about the economic implications of globalization are just as unfounded as were the concerns about its social effects.

Presents a controversial argument for America's assistance in helping China to become an economic superpower in order to safeguard peace and the financial success of both nations, explaining how American interests can be best served if China is supported with economy-supporting agendas rather than protectionist and Cold-War policies. By the author of *A Declaration of Independence*. 50,000 first printing.

In its history since Independence, India has seen widely different economic experiments: from Jawharlal Nehru's pragmatism to the rigid state socialism of Indira Gandhi to the brisk liberalization of the 1990s. So which strategy best addresses India's, and by extension the world's, greatest moral challenge: lifting a great number of extremely poor people out of poverty? Bhagwati and Panagariya argue forcefully that only one strategy will help the poor to any significant effect: economic growth, led by markets overseen and encouraged by liberal state policies. Their radical message has huge consequences for

economists, development NGOs and anti-poverty campaigners worldwide. There are vital lessons here not only for Southeast Asia, but for Africa, Eastern Europe, and anyone who cares that the effort to eradicate poverty is more than just good intentions. If you want it to work, you need growth. With all that implies.

For a century, economists have driven forward the cause of globalization in financial institutions, labour markets, and trade. Yet there have been consistent warning signs that a global economy and free trade might not always be advantageous. Where are the pressure points? What could be done about them? Dani Rodrik examines the back-story from its seventeenth-century origins through the milestones of the gold standard, the Bretton Woods Agreement, and the Washington Consensus, to the present day. Although economic globalization has enabled unprecedented levels of prosperity in advanced countries and has been a boon to hundreds of millions of poor workers in China and elsewhere in Asia, it is a concept that rests on shaky pillars, he contends. Its long-term sustainability is not a given. The heart of Rodrik's argument is a fundamental 'trilemma': that we cannot simultaneously pursue democracy, national self-determination, and economic globalization. Give too much power to governments, and you have protectionism. Give markets too much freedom, and you have an unstable world economy with little social and political support from those it is supposed to help. Rodrik argues for smart globalization, not maximum globalization.

The innovative Handbook offers 23 state-of-the-art peer-reviewed essays by leading international authorities summarizing evidence-based research on ancient and modern India. For example, Kautilya's Economics text published some 2000 years before Adam Smith is shown to include ideas in Marx's Labor Theory of Value, UN's Human Rights, optimization, etc. Hindu India topics include: beef eating, astrology, rituals, sacraments, pilgrimages, guilt-free pursuit of wealth and pleasures, caste system's huge costs and benefits in nurturing entrepreneurship, charity, Hindu Law, gender issues, overpopulation problem, yoga for business management and human capital growth. The scholarly essays provide a unique reference work for students, teachers, businessmen, India investors and general readers. Michael Szenberg, editor of The American Economist wrote: "Hindu Economics and Business Handbook is an engaging and informative survey of the economics of Hinduism. I highly recommend it. Jagdish Bhagwati of Columbia University said "... interesting collection ... will be widely read" Prof. Panchamukhi, Former Chairman, Indian Council for Social Science Research, New Delhi and editor of Indian Journal of Economics wrote: "... systematically arranged into different themes and chapters ... Protection and prosperity, Importance of animals, Four-fold Objectives of Life, Hindu Social Corporate form, Ayurvedic Medicines, Impact of Rituals, (etc.)...perceptive articles on the recent thoughts on development and governance ...extremely valuable reading material...the most useful addition to the literature" Prof. Rishi Raj of CCNY, president of SIAA, wrote: "...many methods and strategies ..(by).. Hindu economists are desperately needed to help solve the present day world economic crisis." Narain Kataria, President of Indian American Intellectual Forum wrote: "...review of contrasting viewpoints... This unique reference work edited by Prof. Vinod belongs not only in every public library, but also in the home of everyone interested in India, including non-Hindus and international investors." List of distinguished authors includes the likes of: (1) former Harvard professor and president of Janata Party, Subramanian Swamy, (2) Suresh Tendulkar, Chair, Indian Prime Minister's Economic Advisory Council, (3) Shankar Abhyankar, founder of Aditya Pratishthan, (4) Anil Bokil, founder of ArthaKranti Pratishthan, (5) Prof. R. Vaidyanathan, IIM Bangalore, (6) Balbir Sihag of U. Mass. (7) M.G. Prasad of Stevens Tech. (8) M. V. Patwardhan former Fellow Institute of Bankers, London, (9) Gautam Naresh, formerly at the National Institute of Public Finance, (10) M. V. Nadkarni, founder of Journal of Social and Economic Development, (11) Prof. R. Kulkarni, IIT Bombay, (12) K. Kulkarni, editor of the Indian Journal of Economics and Business, (13) Prof. S. Kaushik, Pace University, NY, Founder of Women's College in India, (14) H. Mhaskar, von Neumann distinguished professor, Technical University, Munich, Germany, (15) Vasant Lad, founder of Ayurvedic Institute in Albuquerque, NM, (16) Yogi S. Vinod, founder MVRF, Pune, (17) S. Kalyanaraman, Director, Sarasvati Research Centre, Chennai, (18) M. and P. Joshi, founders of Gurukul Yoga Center, NJ, (19) Advocate S. Deshmukh, formerly at Citibank and president, Maharashtra Foundation, and (20) Advocate C. Vaidya, among others.

Helpman explains what shapes international production and distribution of goods and the resulting trade flows, and provides a clear, original account of the trade-theory revolutions of the 1980s and the post-recession. Though it contains no equations, Understanding Global Trade is mathematical in its elegance, precision, and power of expression.

Seeking reason in the impassioned globalization debate, de laDehesa examines who stands to win and who stands to lose from the process of globalization, in a style accessible to readers unfamiliar with economic theory. Objectively and dispassionately illuminates the emotionally charged globalization debate; Acknowledges that the costs and benefits of globalization will not be distributed evenly; Details the economic effects of globalization on individuals, governments, nation-states and business; Assesses the impact of globalization on both labor markets and financial markets, on global economic growth and on income distribution and real convergence between different national economies.

Lively, sometimes contrary policy writings by one of our leading economists.

Jagdish Bhagwati, the internationally renowned economist who uniquely combines a reputation as the leading scholar of international trade with a substantial presence in public policy on the important issues of the day, shines here a critical light on Preferential Trade Agreements, revealing how the rapid spread of PTAs endangers the world trading system. Numbering by now well over 300, and rapidly increasing, these preferential trade agreements, many taking the form of Free Trade Agreements, have re-created the unhappy situation of the 1930s, when world trade was undermined by discriminatory practices. Whereas this was the result of protectionism in those days, ironically it is a result of misdirected pursuit of free trade via PTAs today. The world trading system is at risk again, the author argues, and the danger is palpable. Writing with his customary wit, panache and elegance, Bhagwati documents the growth of these PTAs, the reasons for their proliferation, and their deplorable consequences which include the near-destruction of the non-discrimination which was at the heart of the postwar trade architecture and its replacement by what he has called the spaghetti bowl of a maze of preferences. Bhagwati also documents how PTAs have undermined the prospects for multilateral freeing of trade, serving as stumbling blocks, instead of building blocks, for the objective of reaching multilateral free trade. In short, Bhagwati cogently demonstrates why PTAs are Termites in the Trading System.

"The rise of global financial markets in the last decades of the twentieth century was premised on one fundamental idea: that capital ought to flow across country borders with minimal restriction and regulation. Freedom for capital movements became the new orthodoxy. In an intellectual, legal, and political history of financial globalization, Rawi Abdelal shows that this was not always the case. Transactions routinely executed by bankers, managers, and investors during the 1990s—trading foreign stocks and bonds, borrowing in foreign currencies—had been illegal in many countries only decades, and sometimes just a year or two, earlier. How and why did the world shift from an orthodoxy of free capital movements in 1914 to an orthodoxy of capital controls in 1944 and then back again by 1994? How have such standards of appropriate behavior been codified and transmitted internationally? Contrary to conventional accounts, Abdelal argues that neither the U.S. Treasury nor Wall Street bankers have preferred or promoted multilateral, liberal rules for global finance. Instead, European policy makers conceived and promoted the liberal rules that compose the international financial architecture. Whereas U.S. policy makers have tended to embrace unilateral, ad hoc globalization, French and European

policy makers have promoted a rule-based, "managed" globalization. This contest over the character of globalization continues today."

Arguments for protection and against free trade have seen a revival in developed countries such as the United States and Great Britain as well as developing countries such as India. Given the clear benefits trade openness has brought everywhere, this is a surprising development. The benefits of free trade are especially great for emerging market economies. *Free Trade and Prosperity* offers the first full-scale defense of pro-free-trade policies with developing countries at its center. Arvind Panagariya, a professor at Columbia University and former top economic advisor to the government of India, supplies a historically informed analysis of many longstanding but flawed arguments for protection. He starts with an insightful overview of the positive case for free trade, and then closely examines the various contentions of protectionists. One protectionist argument is that "infant" industries need time to grow and become competitive, and thus should be sheltered. Other arguments are that emerging markets are especially prone to coordination failures, they are in need of diversification of their production structures, and they suffer from market imperfections. The panoply of protectionist arguments, including those for import substitution industrialization, fails when subject to close logical and empirical scrutiny. Free trade and outward-oriented policies are preconditions to both sustained rapid growth and poverty alleviation in developing countries. Panagariya provides compelling evidence demonstrating the failures of protectionism and the promise of free trade using detailed case studies of successful countries such as Singapore, Taiwan, South Korea, China and India. Low or declining barriers to free trade and high or rising shares of trade in total income have been key elements in the sustained rapid growth and poverty alleviation in these countries and many others. Free trade is like oxygen: the benefits are ubiquitous and not noticed until they are no longer there. This important book is an essential reminder of the costs of protectionism.

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