

BOOK REVIEWS

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***Political Economy In A Globalized World.* By Jørgen Ørstrøm Møller.** Singapore: World Scientific. 2009. Pp. 442.

The author has put together a mosaic of analyses, opinions, judgements and conclusions contained within sixty-six topical essays that connect the globalization literature with the scholarship that focuses on political economy. The volume's essays are presented in five sections that concentrate on future global trends, economic globalization, economic integration, global financing and Asia's place in the world. Møller, a strong proponent of globalization, argues that "Economic globalization is unquestionably the best economic model to produce growth and wealth, but this does not mean it is beyond criticism and challenges ... (and) it is not necessarily the only model and not necessarily a model benefiting everybody." (p. xv). For example, "Rising inequality both between richer and poor countries give rise to worries." (p. xv).

Møller contends that political decision-making must address a broad array of worries that go beyond distribution to include burden-sharing. He makes the point that "The global agenda for the coming decades will be dominated by scarcities putting burden sharing instead of distribution of benefits on the agenda, how to shape an institutional framework to bring the post World War II system up to date, and guaranteeing that the moral and ethical standard achieved over centuries

against extremists and terrorists determined to roll the evolution back." (p. 1).

The author's contention poses quite a set of tasks that will challenge national, international and institutional decision-makers. Prior to turning to the specifics contained in the book, it's instructive to note that in his foreword to the volume, Surin Pitsuwan, Secretary-General of ASEAN, cautions that "Professor Møller is not asking us to agree or disagree with his analyses and conclusions. Indeed, what is important is that he has made us realize that in order to understand the globalized world and to manage the changes we need to start pondering about what is happening, why it is happening and what it means for us." (p. xiii).

What is happening and why and what does this mean for East Asia? In his effort to provide answers to these questions, Møller begins by agreeing with other scholars who envision the East Asia region as a new global economic powerhouse. He offers this fundamental answer to the questions of what and why: "Until recently, the U.S. was the decisive factor in the global economic economy — the renderer or the pacesetter. The rest of the world followed the American business cycle with a time-lag. This is no longer the case." (p. 346). He offers an explanation of how and why this phenomenon came about and what it portends for East Asian economies. Møller notes that it might take a great deal of time for the U.S. to recover and put itself on a sustainable growth path. East Asia is

therefore confronted with the necessity of moving towards regionally based sustained growth during the US's rebalancing process.

Møller argues that two factors determine whether a regional economy (such as East Asia) has moved into self-sustaining growth. The first is "a supply chain (trade with semi-manufactured goods transformed into the end product) linking countries together in supporting each other and being more dependent on each other than on other regions of the world." (p. 350). The second is the "strength of domestic demand and private consumption ... as the main driver behind the regional supply chains, that is countries export to each other to prop up domestic demand instead of consumption in non-regional countries." (p. 350).

On the domestic side, creating and sustaining regional supply chains, or what has been called production platforms, also requires adequate levels of national savings and prudential investment regimes as well as effective domestic monetary, fiscal and regulatory policies. On the external side, valuable assets are the existence of regional growth poles such as China, India, Japan and the ASEAN subregion, and supportive institutions ranging from APEC and ASEAN+3 to the WTO and the Group of 20.

Beyond production and distribution, the book confronts burden-sharing, an often under-appreciated political economy concept. Møller calls attention to the need for national, international and institutional leaders to agree to share the burden of confronting global terrorism, global warming, endemic poverty, maritime piracy, the inter-state drug trade and social and religious conflicts. He writes that most "institutions are designed to distribute the benefits of economic growth or, alternatively to support economic growth." (p. 27). He goes on: "The future game will be a battle about burden-sharing, a brutal and ruthless exercise where everybody will try to pass the buck to somebody else. Politicians, be they national or international, have found it difficult to deal with distributing benefits. It is nothing compared to burden-sharing. But if we do not succeed in shaping some kind of common policies to tackle this in an orderly way,

the alternative is ... that large parts of the world will implode." (p. 27).

Møller's words should be taken very seriously by policy-makers because burden-sharing is a "game" that must be played seriously and effectively or the consequences will be deadly. One needs only to read the popular press or surf the Internet to learn about social implosions around the world that claim lives and challenge civility. This question arises: to what extent did refusals to share burdens contribute to the implosions?

Without question the author has given readers a book that's well worth reading. Its contents are far from trivial and could be instructive to leaders and citizens who strive to bring about a global civil society wherein the central concern is for human well-being, peace, security and stability. However, there is one potential problem: topics are often briefly treated and require further reading. Møller aids readers by citing supplementary published materials via endnotes that can enrich individual reading regimes.

The book is well written, substantive, challenging and extensively researched. In this reviewer's judgement, it should not be missed by university students, their teachers as well as policy-makers and general readers.

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***Making Poverty A History.* By Thomas Lines.**
London: Zed Books, 2008. Pp. 166.

The effect of trade on growth and poverty is simple and straightforward. By engaging in trade, a country will spur its economic growth which in the end will increase the standard of living. *Making Poverty A History* explores the empirical effects of trade on poverty in developing countries. This book is relevant with the condition