

Columbia professor, former top economist for President Clinton, former Senior Vice President at the World Bank, Nobel Prize winner—Joseph E. Stiglitz holds an impressive set of credentials. Yet, resting on his laurels seems the last thing he is inclined to do.

Instead, in a book that is as much about politics as it is about economics, Stiglitz strongly criticizes free-market fundamentalists and calls for a fair and democratic rule set to govern our globalized world. He starts with a disturbing analysis, showing that the process of globalization has increased, rather than reduced as was initially expected, levels of poverty and inequality around the world. "It appears that it is better to be a cow in Europe than to be a poor person in a developing country," he writes, since "the average European cow gets a subsidy of \$2 a day," whereas almost half of the world's population lives on less than that.

Even the small group of countries that benefited from the process, Stiglitz notes, face rising unemployment and higher inequality within their societies. He points to what he sees as failed policies of institutions such as the IMF for explanation. "There is a clear need for strong international institutions to deal with the challenges posed by economic global-

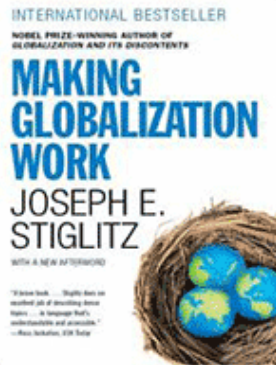
ization," the author says, "yet today confidence in existing institutions is weak."

The book covers a wide range of dense and complex subjects, from non-tariff trade barriers and the history of trade agreements to the global reserve system and emissions trading. Thankfully, its author refrains from using language accessible only to experts, making his case and suggestions easy to understand.

Making Globalization Work proposes concrete, albeit controversial, policy goals and reforms. Stiglitz argues that countries should be able to subsidize domestic production as universal access to products could endanger cultural diversity. He suggests new trade rules aimed at minimizing the ruthless exploitation of natural resources and makes the case for a global competition law, along with a corresponding enforcement entity, that could contest monopolies and crack down on bribery.

Stiglitz' most audacious proposal aims to detach the global reserve system from the debt-laden U.S. dollar by creating a universal currency that could be banked by nations and used in times of crisis. This new currency could also be used in emissions trading and become the backbone for medical, educational and financial help for the developing world.

Making Globalization Work combines a comprehensive analysis of the shortcomings of globalization with a bold, thought-provoking set of innovative answers. While some of these answers may reach too far to be realistic in the near term, the author presents an important and engaging read.



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