



Globalizing America: The USA in World Integration

Review Author[s]:
Simon J. Evenett

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third best trade initiatives. Given the rapid expansion of regional initiatives over the past decade, this question deserves more attention.

Perhaps because he was in the trenches in Seattle, most of his commentaries about the WTO ministerial have a journalistic bent. Apart from the concise policy brief on labor standards and the WTO, these short papers already are outdated and give short shrift to the political constraints (namely, a divided Congress and protectionist lobbies within the Democratic Party) that limited Clinton's ability and willingness to push new trade initiatives. The political science literature provides better insights into why politics trumped economics during this period.

Part 7 provides a useful primer on globalization and development, and an intellectually rigorous and common sense rebuttal to its critics. He demonstrates why much of the criticism emanates from NGOs and disgruntled interest groups in industrial countries rather than from the supposed victims in the developing world. Here again, he draws on the extensive literature that reports the contribution of trade and investment to development, the generally positive influence that multinational firms have on local labor markets, and the importance of sound governance to support and allocate those gains across society.

In sum, this is an excellent reader on globalization with a somewhat misleading title. Its value lies in Bhagwati's clear and compelling arguments on the implications of globalization for public policy on trade and international capital movements more than his already dated attacks on Clinton's stewardship of economic policy.

JEFFREY J. SCHOTT

Institute for International Economics

Globalizing America: The USA in World Integration. Edited by Thomas L. Brewer and Gavin Boyd. Cheltenham, UK: Edward Elgar, 2000. Pp. x, 301. ISBN 1-85898-981-7.

This book, made up of 12 essays by scholars drawn from a wide range of disciplines, attempts to explain the factors that have altered American firm behavior, trade and investment flows, labor market outcomes,

and government policies in an era of ever greater integration of the U.S. economy with the rest of world. That the changes observed in the 1990s impinge on so many aspects of commercial, political, and diplomatic practice, and given the apparently unstoppable tendency of scholars to narrowly specialize within their own sub-disciplines, it is perhaps unsurprising that conference organizers and book editors increasingly draw upon experts from many fields when analyzing the profound changes that fall under the portmanteau term "globalization." But, having all of the correct ingredients in no way guarantees a sumptuous meal. In our case, what constitutes delicious fare? One criteria might be that a discipline can learn from the questions posed and the explanations considered by another without, of course, introducing so many new elements into the former discipline that it loses its coherence. As we shall see, despite a number of stimulating offerings (which are outlined in some detail below), it is quite likely that on this metric Brewer and Boyd's volume falls short.

Even though the chapters are not organized into sections, they can be thought of as belonging essentially to three reasonably distinct groups. The first group characterizes the many different ways in which U.S. firms, consumers, and the government deal with the rest of the world. Wherever possible these contributions provide quantitative evidence, and readers will find the chapters by Pryor, Makhija and Williamson, Daniels, and Brewer and Young illuminating in this regard. The historical sweep of Pryor's chapter will be of considerable value to those wanting a concise primer on the state of U.S. integration with the world economy throughout the twentieth century. In addition, Makhija and Williamson's attempt to classify industries in G7 economies, according to the extent to which they sell goods abroad as well as the types of goods (parts, components, and final) that they import and export, breaks new ground.

The second group of chapters analyzes the interactions between an integrating world, and internal U.S. politics and American policymakers' abilities to exert leadership on the world stage. In an analysis that will raise

eyebrows among those who felt that the U.S. government threw its weight around too aggressively during the East Asian financial crisis, Kirton argues that this crisis actually demonstrated how little the United States got its way, especially with its G7 partners. He cites, for example, the inability of the United States to successfully oppose a 45 percent increase in the IMF's quota share in September 1997. Kitson marshals such examples in support of a broader contention that the United States is now less able to act unilaterally on global economic questions, and that whatever ability it presently has will attenuate further in the future. Boyd, too, emphasizes in two chapters the greater need, and prerequisites, for U.S. cooperation with foreign governments in a number of forums.

The remaining chapter in this second group is a stimulating public choice perspective by Thornbecke on the factors which determine U.S. international economic policy. Followers of the recent political economy literature by Dixit, Grossman, and Helpman may find of value this chapter's discussion of the role of interest groups. Thornbecke's emphasis on the role of ideology is, at first, unlikely to jive well with these newer perspectives, and perhaps this is a dimension upon which the latter might creatively be extended.

The final group of chapters discusses the bread-and-butter issues of regional integration, U.S. policies towards the world trading system, and exchange rate and monetary cooperation from a uniquely economic perspective. The chapters by Arndt, Daniels and Davis, and Wonnacott cover materials that are familiar to most international economists.

Drawing these strands together, to what extent can this interdisciplinary endeavor help to cross-fertilize other research agendas? The omens are not good. The paucity of cross-referencing between chapters suggests that the authors themselves took little away from their encounters with the other contributors to this volume. More seriously, the lack of any substantive introductory or concluding chapter is surely a missed opportunity to integrate the principal insights contained in the chapters, and to suggest new avenues for

research. None of this is to suggest that this type of interdisciplinary volume cannot be of great value. In this case, my quibbles are with the means and not with the ends.

SIMON J. EVENETT

The World Trade Institute and CEPR

In the Hurricane's Eye: The Troubled Prospects of Multinational Enterprises. By Raymond Vernon. Cambridge, MA and London: Harvard University Press, 1998. Pp. x, 262. \$35.00. ISBN 0-674-44582-1.

Nearly 30 years ago, Raymond Vernon wrote *Sovereignty at Bay*, which explored the rise of the America-based multinational enterprise as a global force and analyzed the challenges that the spread of MNEs might pose for national governments trying to regulate them. Shortly after, the embargo by the Organization of Petroleum Exporting Countries and increasing developing country demands for global income redistribution created an atmosphere much more hostile to multinational enterprises, with the expropriation of MNE assets in many countries. At that time, it appeared that the growth of multinational enterprise was threatened, not national sovereignty. By the end of the twentieth century, however, MNEs accounted for half the world's trade in goods and the largest of them were bigger than many national economies (p. 10).

In the Hurricane's Eye explores the changing attitudes in host countries toward MNEs in the 1980s and 1990s, and the new challenges facing MNEs as the most visible face of globalization. As Vernon says early on, "A central question of this study is whether [MNEs'] close identification with the forces of globalization will expose them substantially to the forces seeking to resist some of the consequences of that movement" (p. 7). This question reflects Vernon's belief that, while tensions between MNEs and host-country governments have faded since the volatile 1970s, tensions with home-country governments, over similar issues of jobs, taxes, and national security, will grow. A second development in the 1990s is the realization by non-governmental organizations (NGOs) that they can use MNEs to push their issues, including human rights and the environment,