Book Reviews


Reviewed by Michael Anderson, Washington and Lee University

“America First Trade Policy.” That’s the banner headline on the United States Special Trade Representative’s webpage. When the USTR, the cabinet-level office that has historically promoted open markets, now publicly expresses doubts about the benefits of openness, you know it’s time for a careful assessment of the tradeoffs and conflicts within globalization.

Weisman’s book is spot-on, in its timing, in the topics covered, and in the values-based framework the author brings to bear in discussing globalization’s tradeoffs. Surprisingly, the book is also something of a page turner. Weisman is a journalist by training, and it shows. Academics, politicians, and public intellectuals all take their turn on the narrative’s center stage as the author builds an engaging conversation about who wins and who loses from trade, migration, and outsourcing. Christian economists will appreciate both the careful treatment of the economics literature’s findings and the values brought to bear. Weisman brings the biblical texts, including Jewish, Protestant, and Catholic perspectives on those texts, into a broad discussion that includes Rawlsian and other theories of justice.

After a chapter that defines economic and moral terms, the remainder of the book addresses what the author regards as the three main conflicts at the heart of disputes about globalization: over the tension between liberty and justice, over instilling virtue, and over loyalty. Liberty and justice comprise “the great tradeoff,” framing again and again in the book the tension between the market’s remarkable ability to deliver economic benefits and the moral claims for redress that arise out of stubborn poverty and growing inequality.

The conflict-over-instilling-virtue chapters probe the evolving moral standards about indebtedness, bubbles, the business cycle, and how policy toward moral hazard can strengthen or undermine the virtues needed to sustain an interconnected global economy. Finally, the conflict-over-loyalty section frames a discussion around a central issue of how humans value those “near” them (within families, faith communities, or political
One strength of this treatment is that Weisman is careful to put each of the various topics into historical perspective. Here are several examples: When reviewing the data on poverty and inequality, the author presents the literature’s compelling evidence for how open markets have reduced over time the number of people living in absolute poverty. The author uses the evolution of Paul Krugman’s thinking to frame the discussion on whether trade imperils US workers’ wages. The chapter on moral hazard tracks how society has moved from a blame-the-victim understanding for financial crises to (an equally value laden) preference to save the innocent even if some of the guilty go free. There’s a lot to like about this history-rich approach—it both helps us understand why we are where we are, and perhaps makes it less likely that we’ll repeat history’s errors.

Bringing a values-based discussion to the broad topic of globalization is difficult, and readers hoping for universally applicable guidelines will walk away disappointed. The guiding frameworks cited—from scripture to Rawlsian principles—are used to inform but not dictate policy. The author stakes his position out early on: “If there is a moral case for globalization . . . it must be rooted in a spirit of pragmatism” (p. 15). It’s this pragmatism that, in the end, both helps and disappoints the reader. Several examples will help explain this point.

When the author examines market openness’ relationship with poverty and inequality, the pragmatic application of scriptural principles and Rawlsian ethics yields useful insights. Until very recently, the number of poor people in the world increased inexorably year after year. Then something wonderful happens. In the 1970s, the ranks of the poor begin to thin as global markets create opportunities for citizens of China, Indonesia, India, and other low-income countries, a trend continuing to this day. We also find something not so wonderful beginning about the same time—a rise in income inequality within nations, including especially the United States.

Weisman zeros in on the issue: “What all these figures add up to is a paradox economically, but also morally” (p. 53). Do we follow the implication of Greg Mankiw’s assessment—that the top 1 percent of income earners (in the United States) obtain their rewards from higher productivity rather than from exploiting some market imperfection, which (in a
Rawlsian framework) would be acceptable given that it doesn’t diminish the state of the poorest citizens? Weisman argues instead that “inequality matters,” even if it comes out of a just process. The evidence from the IMF about the negative association between inequality and growth, and the concerns about possible social dis-cohesion from rising inequality, trump what would otherwise pass a Rawlsian test. While there is certainly room to agree or disagree with the conclusion, the reasoning is pragmatism at its best—informed by values, but also understanding the need to choose among competing values.

Less compelling is the discussion on NAFTA. The author (very usefully) lays out the tension between “communitarian” and “cosmopolitan” loyalties—are we, should we be, more focused on the economic outcomes for US workers (as members of our common community), or should we refuse to diminish the importance of Mexican relative to US workers (as both are inherently deserving of equal treatment)? This tension is an important part of the book, and Weisman usefully details the variants of these two views and provides examples of adherents. But pragmatism, at least as far as the author takes us, fails us here. Weisman argues only that the answer must lie in democratic and international institutions.

Here is where I would have appreciated hearing more about competing values. If we are truly cosmopolitan would we support discriminatory trade agreements at all? Or should support of NAFTA be seen pragmatically as an important competing value, the desire to strengthen and stabilize our southern neighbor? The discussion on migration would similarly benefit from the author leaning in on values and pragmatism. The dramatic rise in resistance to inward migration in the United States and parts of the EU seems to indicate that there is some limit to the rate at which populations are willing to assimilate those culturally and ethnically different from themselves. It’s easy to see the competing values of serving our (foreign) neighbor, and maintaining stable democracies at home, coming into conflict. I wish that the author had grappled more with how a values-informed pragmatism would address these essential topics.

Taking the point above a step further, I also wonder whether the author has sufficiently considered whether globalization has within it the seeds of its own destruction. Said differently, a conflict may exist between globalization and cosmopolitan values. Amy Chua (quoted by Weisman) offers the idea that democracy, a free press, and globalization may com-
bine to build violent race hatreds between economically dominant ethnic minorities who benefit from globalization and larger “native” populations who are left behind. She offers a compelling raft of examples from recurring pogroms against ethnic Chinese in the Philippines and Indonesia, to the repression of Jews in Europe, to the persecution and murder of the Tutsi by fellow Rwandan Hutu. The rising blood-and-soil nationalism in the EU and the United States show signs of discovering another path for venting economic resentments—rolling back the post-WWII opening of markets that foster movements of goods and people.

As this is such a compelling book, I want to finish on a positive note. I’ve read a lot of critiques of globalization by writers whose theology I admire and whose economics I lament. And I’ve read plenty of careful economics papers whose authors flee any discussion of values. This is the best values-and-economics book that I have read.

The weaknesses in the text reflect the broad agenda that Weisman takes on. By addressing a vast swath of what we take to mean by “globalization,” it’s inevitable that some topics will receive better coverage than others. But if this book is not the last word on globalization and values conflicts, it is a terrific beginning. Read this book yourself, and by all means assign it to your students.