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Jeffrey E. Garten. *The Big Ten: The Big Emerging Markets and How They will Change Our Lives.* New York: Basic Books, 1997. xxiii + 232 pp. $24.00 (cloth), ISBN 978-0-465-02651-7.

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Teaching the New Political Economy

Teaching political science majors about politics and the economy used to be a rather straightforward task. Part of the course would be dedicated to a discussion of the rise of the modern regulatory state from the earliest years of the ICC to the most recent debates shaping policy emerging out of the Environmental Protection Agency. Another part of the course would focus on macroeconomic policy, including the politics of the budgetary process and the triumph of Keynesianism following the Second World War. Mention might be made of some of the issues of international trade, including expanding free trade or such international organizations as the World Bank or the International Monetary Fund. For the most part, however, such concerns remained peripheral to our fundamental pedagogical concerns. When political economy was taught in the United States, it was a course on the American political economy.

Since the 1980s, three factors have forced political scientists to rethink how best to teach their students about political economy. First, a fractious debate over mounting budget deficits has forced us to reconsider how we think about the politics of the budgetary process and the triumph of Keynesianism. Few of us are willing to concede any longer that macroeconomic policy is simply a matter of fine tuning the economy. Fewer still are willing to argue that the solution to all economic problems lies in a further expansion of the state. Second, a technological revolution continues to reshape our economy in new and unexpected ways. In the words of Joseph Schumpeter who wrote about America's last great wave of technological transformation in the twenties and thirties, we have been living through a period of creative destruction, where an old technological regime has been replaced by a new one, producing a sea change in our social and economic institutions. Finally, there has emerged a new global economy. No longer is it possible to say that America's economic interests stop at the borders. The pressures that gave rise to our modern regulatory institutions were, in large part, the result of the rise of a national economy in the late nineteenth century. Those influencing our institutions today are increasingly global in their orientation.

Many of us have done a good job integrating a discussion of budget deficits (and now, perhaps, surpluses) into our courses. We have found ways to extend our analyses of social and economic regulation into the issues of the information age. But we are often stymied when it comes to the global economy. How can we make our students understand the significance of an emerging global economy to our way of life? What pressures will globalization place upon our political institutions and values? What political problems will we face as a nation as we restructure our policies and institutions to meet the demands of a global economy in the early decades of the twenty-first century?

The Big Emerging Markets

The greatest strength of David E. Garten's new book *The Big Ten* is the way it makes the reader reconsider the problem of globalization. For too long, we have been trapped in a Eurocentric view of the world economy. Globalization essentially meant further economic integration with Europe and Japan. That is a serious mistake, contends Garten. In the late twentieth century, the world economy means more than just the developed industrial economies of Europe, North America, and Japan. It also includes nations like Mexico, Brazil, Argentina, South Africa, Poland, Turkey, India, Indonesia, China, and South Korea. These "big emerging markets" or "BEMS" are creating a new world political economy that we are only beginning to understand, much less master. According to Garten, BEMs are the key swing factor in the future growth of world trade and are playing an increasingly important role in international finance. As recent events in Asia have shown, international financial stability may be linked directly to the performance of these pivotal markets. They can not be ignored when

considering such basic international political issues as human rights, environmental cooperation, and the problem of war. The emergence of BEMs calls for a new approach to public policy based upon a new understanding of what the global economy means to the United States.

The book opens with three chapters explaining what the big emerging markets are, why they are important to the United States, and what opportunities and risks are linked to these markets. The analysis is easy to grasp and Garten does an excellent job explaining a host of issues, including trade deficits, wage pressures on American workers from BEM countries, intellectual property rights, and the problems of doing business in countries rife with political corruption.

Chapters Four and Five take up problems of power and political instability, as well as the inevitable clash that occurs between American values and the desire to expand trade with BEMs. How should we balance our nation's commercial goals against our historical commitment to human rights? Should granting Most Favored Nation Status to a BEM be decoupled from human rights, or integrally connected? Should our concern over human rights be balanced against the concerns among elites in BEMs over political order? And what about the environment and workers' rights? How far should the United States be willing to go in promoting its political objectives at the cost of expanding trade with BEMs? Garten is sensitive to the complexities that are involved in such questions, recognizing that what is good in theory may not work well in practice. He has no doubt that we should defend such fundamental values as democracy and free markets in our interactions with BEMS. But we must be careful as to how we go about implementing these values in an age of rapid economic change. As he explains in one particularly poignant passage, "we have no experience on which to rely, in trying to figure out how much outside pressure works and how much produces a backlash; whether private pressure behind the scenes is better than public condemnation; or how to best balance all the interests we have with big emerging markets–economic, political, security, human rights, and environmental" (p. 99). What is needed, argues Garten, is a new framework for thinking about these problems, one that takes into account the emerging role of BEMs in the world economy, the thinking of its leaders and people, and a comprehensive understanding of America's role in the new world order.

The last four chapters of the book try to provide such a framework. Here, Garten argues that the old approaches to foreign policy are simply no longer relevant. Neither isolationism, gunboat diplomacy, nor moralism will work in our increasingly interconnected age. In Garten's eyes, issues of international trade with BEMs must be considered in light of other problems facing the U.S. economy, including slow growth, low savings, inadequate investment, income inequality, budget balancing problems, and gaps in the social safety net. Indeed, he calls for a new social contract between labor, capital, and the state that will help the nation prosper in a global economy in new and creative ways.

The Limitations of The Big Ten

The origins of The Big Ten lie in work Garten did as Under Secretary of Commerce for International Trade in the Clinton Administration. Under the direction of Secretary of Commerce Ron Brown, Garten undertook a study of America's long-term interests in international trade. The final report identified the BEMs and explained their increasing importance to international trade in general and American economic prosperity in particular. Garten's insider perspective brings a unique insight to many of the problems addressed in the text. For Garten, the balancing of human rights with expanding trade is not just an abstract problem, but a practical one. Garten recognizes that policymakers must make tradeoffs in the goals and values that they wish to pursue. Often these are difficult ones that carry with them significant political consequences. Throughout the book, Garten is able to bring many useful stories to the table to explain the ambiguities and tensions that policy makers will inevitably face in the new global economy. To his credit, he is able to present the material in a highly readable style that is easy for readers to grasp.

But the book's strengths are tied to glaring weaknesses. In seeking to provide a grand vision of the new world of international trade facing America, Garten at times underestimates how intractable problems might be in the coming world order, or the impact that such problems might have on domestic politics in the United States. Arguing that we must be attentive to BEMs while not abandoning traditional national concerns such as human rights doesn't explain how this balancing act should be conducted. Garten sidesteps any in depth discussion of the limits and unintended consequences of decoupling trade issues from human rights and pursuing human rights behind closed doors. At what point should we as a nation be unwilling to sacrifice our dearest values for the possibility of expanding trade? Who is to make such decisions and how are they to be judged? Are new national policy making institutions needed that are more insulated from the give and take of contemporary politics?

One suspects that Garten believes that many of the decisions we will face regarding the BEMs need to be made on a case by case basis, often far from the public limelight. But how is the public to know when principles are being creatively balanced with other economic interests, and when they are just being ignored? How much discretion should be granted to an administration by lesser political lights and the public in their sensitive international negotiations? And at what point should public support be withdrawn from policies that are not sensitive enough to traditional values?

When Garten tries to address questions like these, the book's limitations are revealed. At times, *The Big Ten* reads like an apology for initiatives taken up by the Clinton Administration and a call for action during the second term. There is little critical awareness of the role that specific political institutions or processes play in the making of public policy. How is world trade policy affected by organizations like the Commerce Department and the many special interests that are tied to its programs and operations? Is it possible to conduct the kind of international trade policy envisioned by Garten under existing political arrangements? Should trade politics be insulated from the day-to-day give and take of democratic politics in the late twentieth century, or are the public institutions already in place that could guide the nation into a new era of global political economy?- Garten's silence on such questions is unfortunate given his wealth of experience and the fact that various institutions like the Commerce Department have come under attack in recent years for failing to serve a larger public interest. One suspects that some form of fundamental institutional restructuring may be needed to accompany the change in vision advocated by Garten in our domestic and international affairs. But what that might be or how that might be put into place lies outside the book's scope.

The Big Ten has its limitations. Nevertheless, it is a text that can help move our courses in political economy and public policy beyond their traditional limitations. As a supplemental text, it can provide students with a useful entry into many of the complicated issues that are part of the emerging global political economy.

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