

The Reviewers

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The Princeton Encyclopedia of the World Economy

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There is no better time than now to study the world economy. Interest in things economic, and globally economic, has understandably diffused in recent years to us all: it is no longer the exclusive domain of specialists. Even so, we continue to need experts to explain and interpret the many complex concepts and models, institutions and agreements, policies and instruments, analytical tools and sectoral issues, do this in a clear historical context, and highlight why they are important and where the future might go. This new encyclopaedia fulfils these aims very well indeed, and is targeted mainly at the school and college and academic/research library market, and in particular students, teachers and lecturers.

Physically, it is a two-volume work measuring eight inches by ten (some 20 by 26 centimetres), sturdily bound, text in two-columns clearly displayed on good white paper, text interspersed with occasional graphs and diagrams. The introductory material in volume I includes the editors' introduction (which picks out international trade, finance, production, and economic development as major lines of attack), and alphabetical and a topical list of entries, and a list of contributors (specialists from around the world, from universities and organizations like the International Monetary Fund). Volume II reproduces the prelims but not the editors' introduction, allowing use of each volume independently. However, only volume I contains the index (a fine piece of work extending from page 1203 to page 1246). Reinert and Rajan are both professors of public policy at George Mason University, and both have published elsewhere on world economy issues.

The topical list of entries is, conceptually, a good way to start discussing this work. Material is divided into six categories: concepts and principles (such things as common market and fair trade, outsourcing and regionalism, currency crisis and debt inflation, hedge funds and speculation, foreign direct investment and technology licensing, brain drain and transfer pricing); models and theory (economies of scale, oligopoly models, interest parity conditions and pollution haven hypothesis and neoclassical models of growth in open economies); institutions and agreements (TRIPS and ASEAN, Common Agricultural Policy and CITES, Group of Seven/Eight and Uruguay Round and World Bank); policies and instruments (anti-dumping and tariff rate quotas, capital controls and IMF surveillance, foreign equity restrictions and migration governance); analysis and

tools (equilibrium models, balance of payments, and market size and foreign direct investment); and lastly sectors and special issues (child labour and the digital divide, trade and wages, money laundering, global public goods and global poverty).

Each is divided in turn into the four classes cited earlier ♦ international trade, finance, production, and economic development. Entries are essay-style, of some two to five pages double-column of text, clearly presented with bold side-headings and provided with helpful see also cross-references (typically, the entry on pharmaceuticals cross-refers the reader to access to medicines, foreign direct investment under oligopoly, health and globalization, mergers and acquisitions, and multinational enterprises). The general index opens up other information on the drug discovery process, R&D expenditure, and government regulation. The index itself is particularly good for anyone keen to range throughout the encyclopaedia, searching, say, for material on North-South trade or income or banking crisis or Bretton Woods or money supply or Malaysia. Currency will be an ever-present criterion for any librarian considering purchasing this work, not least of all given the fast-changing scenario in world economics and finance. While offering an appropriate context for many of the issues, its readings (every entry has several, accompanied by critical comments) come up to 2007, essential in a field like this.

To help you decide, the publisher Princeton University Press has provided sample entries on their web site and these can be found at <http://press.princeton.edu/titles/8736.html>. In reviewing the work, however, it has been possible to read and scan all the entries ♦ from the first on Absolute Advantage to the last on World Trade Organization Dispute Settlement. Choice of entries has been sure-footed in not only providing topics likely to be of general interest (and this extends the reach of the work to reference libraries in public libraries), but also many intended for students who need specialist information. The entries themselves are clear and admirably free from obscurity and jargon: they define their terms, take the reader through a series of well-signposted sections within an entry, retain objectivity, offer technical analysis where it is needed, and show an understanding of the wider public policy and international implications of the issue in question.

Typically, transition economies (those moving from central planning to markets) are identified, analysed, their policy reforms discussed, examples described, institutions and private sector dynamics examined, dilemmas pointed out, and economics and policy and politics all connected up. For Recycling of Petrodollars there is an interesting discussion of the global savings glut and the avoidance of beggar-my-neighbour policies. Imaginative entries include one on Non-Discrimination (on this approach among nations where goods are distributed), the Evolution of Development Thinking (recent history, market primacy and geopolitics, complementarity of markets and governments, areas of consensus), Corporate Governance (including a typology of legal strategies for protecting investors), and Gains from Trade (an example of one of the most expert contributions, and one that examines this price/commodity exchange/pricing area in both textual and algebraic terms and takes the reader into the application of theory, something that can be developed elsewhere in the book, as with New Trade Theory and other entries).

What comes across loud and clear with this work is the clarity and intelligibility of the discussion and analysis. This will make the work useful for students in the early stages of economics and policy studies, and offer a useful reference source for prior reading on a curriculum. Readings are international (i.e. not all published in the USA) but may present a resource challenge unless the library is well provided for. There are entries, of course, on topics that appear in many other places, European Union, for instance, and others like GATT, food aid, agriculture, quotas, and gold standard, but even these are well presented in their class and readers have the value-added of being able to read about them in the context of a coherently thought-out encyclopaedia. For its size, the work offers a great deal, not least of all the sense of having an intelligent conversation with experts who really know but have the gift of not condescending. Also, a work not obviously left behind, like sea creatures on a beach, by recent contortions of the market and the constant need for curriculum innovators to introduce cross-disciplinary novelties.