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## Open World: The Truth about Globalisation

by Philippe Legrain

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Philippe Legrain, a journalist and recent staffer at the WTO, has written an important book about globalization. Legrain's intended audience is the millions of people who make up the silent majority that have mixed feelings about globalization. Happily, the book also provides useful information for those who have made up their mind in favor of globalization. Anyone deadset against globalization will find the book discomfiting because it shows the hollowness of many of the arguments (he calls them 'lies and misperceptions') of the anti-globalization activists.

Legrain explains that 'globalisation' has become shorthand for how our lives are becoming increasingly intertwined with those of distant people – economically, politically, and culturally. The book follows through with a discussion of all three of these features. While noting that globalization is blurring the borders between nation states, Legrain properly rejects the idea that borders are disappearing. Throughout the book, the author tries to distinguish what is globalizing from what is not.

The truth revealed is that globalization is overwhelmingly a force for the common good. To spell this out, the book contains chapters on workers, the poor, product brands, multinational corporations, world agriculture, the environment, patents, capital flows, and culture. Legrain begins each chapter with a few quotations from the globalization literature; he typically uses them as illustrations of error to be debunked.

Each chapter then provides a medley of data, analysis, and episodes from Legrain's travel in researching the book. The chapter on workers explains that technology, rather than trade, is the chief cause of employment dislocation and inequality. He notes that trade protection is the wrong solution and calls for improving worker skills, retraining, and a generous welfare system. The chapter on developing country poverty makes the point that globalization is the only route out of poverty. Legrain explains the essential role of trade and investment expansion and sharply criticizes the policies of the United States and Europe which 'conspire to keep out many of the products that poor

countries export, like food and clothing'. For trade experts, these two chapters might be predictable. But several other chapters in the book may provide surprises to readers, such as the chapters on environment and intellectual property.

In his discussion of the environment, Legrain debunks the notion of pollution havens and 'race to the bottom', and cautions against basing trade measures on the way that a product is produced. Yet on climate change, Legrain is more sympathetic to competitiveness concerns. He suggests that 'trade sanctions may be necessary to enforce the Kyoto protocol' if a country refuses to get its house in order.

The chapter on patents expresses frustration with the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). Calling patents 'evil', Legrain objects to the requirement for patent uniformity in a diverse world. In his view, the TRIPS requirements for drug patenting harm the poor and the sick. While Legrain recognizes that it is essential to give incentives for technological innovation, he points out that research can be paid for in ways other than granting a monopoly right. As an example, he points to France's action in 1839 to buy the patent for the daguerreotype process and made it freely available. He also suggests the idea of authorizing governments to give prizes for the development of a useful drug. Legrain concludes that 'not only should the TRIPS agreement not be at the WTO, it should not exist at all'.

One of the most interesting chapters is the 'Brief History of Globalization'. (This is Chapter 3; the ordering of chapters in this book is a puzzle to me.) Legrain starts with Marco Polo and points out how the outward-looking countries moved ahead while the countries that looked inward were held back. He uses China's abandonment of trade in 1551 to illustrate a theme of the book which is that governments have blocked globalization in the past, and still have the power to do so. Thus, he takes exception to those who claim that globalization is inevitable. In Legrain's view, government decisions and political choice are central to whether a country will embrace openness and benefit from globalization.

Another chapter defends the WTO from charges that it is too powerful and that it tramples democracy. He blames governments for using the WTO as a 'scapegoat' for their own domestic failings. For example, he laments that 'the Clinton Administration, whose trade policy was in hock to corporate lobbies, blasted the WTO for ignoring public opinion'. While the WTO is too intrusive in some areas like TRIPS, Legrain believes that it is too deferential in other areas, such as policing free trade agreements. For example, he criticizes the EU for setting back economic reform in having 'insisted that the east Europeans raise their import tariffs to the rest of the world ...'.

On one issue, however, Legrain sides with the protestors. He says that it is time for the WTO 'to do away with its culture of secrecy' which is unacceptable in a democratic age. He also calls for parliaments to become involved in the WTO's work in order 'to bridge the gap between the WTO and voters ...'.

Legrain wants the public to understand the stakes in the globalization debate and to demand better governmental policies. 'Our challenge is to grasp the opportunities that globalisation offers while taking the sting out of its threats', he writes. As can be seen in this brief review, Legrain is a lively writer who will not put anyone to sleep. This is one of the best general books on globalization and I doubt there is anyone in the world who would not learn something valuable from reading it.

STEVE CHARNOVITZ, *Wilmer, Cutler and Pickering*