

John Toye and Richard Toye, *The UN and Global Political Economy: Trade, Finance, and Development*. Bloomington, IN: Indiana University Press, 2004. xv + 390 pp. \$75.00 hardback, \$29.95 paperback.

This extraordinary book is part of the multi-volume United Nations Intellectual History Project established in 1999 and based in the Institute for International Studies of the City University of New York (CUNY). I found this book absolutely gripping. It reads like a detective novel only losing some of its vibrancy towards the end, perhaps because by then the story is more familiar and the ideas less original. The historical scope, attention to detail and elegant style of this book are impressive. The text focuses on the contribution of several key economists at the UN who worked on the development of development thinking. It mainly examines critically, though fairly and sympathetically, the ideas of Michal Kalecki, Nicholas Kaldor, Raúl Prebisch, Hans Singer, Celso Furtado, Sidney Dell and Juan Noyola. But the ideas of others are also drawn upon, albeit more briefly, such as those of Gamani Corea, Arthur Lewis, Gunnar Myrdal and Walt W. Rostow. Although the *dramatis personae* are mainly from the North the authors are careful to avoid Anglo-Saxon centrism or a Eurocentric analysis. Whereas the selection of the thinkers is fitting, the presentation of their ideas is somewhat uneven. Prebisch and Singer deservedly take pride of place whereas the intellectual contribution of Furtado is hardly explored despite being, together with Prebisch, the key architect of the Latin American structuralist school of development and underdevelopment which originated in the UN Commission for Latin America (ECLA).

The story of the Prebisch-Singer thesis on the secular decline in terms of trade for the primary commodity exporting developing countries is particularly well told. It is the most detailed and accurate account of the respective contribution of Prebisch and Singer to this thesis to date. Although it bears their names they never wrote a joint essay on this or any other topic. Both worked independently in the UN — Singer in the Department of Economic Affairs in New York and Prebisch in ECLA in Santiago de Chile. Toye and Toye (a father and son team) resolve most of the puzzles but they do not pose the question of who was the person (or persons) who gave the thesis its name. The ‘Prebisch-Singer thesis’ label is appropriate and as far as I know neither Prebisch nor Singer questioned it or seemed to be too bothered as to who should be recognized as having first formulated the thesis. While the authors give priority to Singer regarding, firstly, the empirical fact of a secular decline and, secondly, the explanation of the economic factors that account for it, they accept that ‘from the viewpoint of publicity and political repercussions . . . it was indeed the “Prebisch-Singer” thesis’ (p. 130) given Prebisch’s greater presence on the international stage.

While I always found Singer’s analysis more elegant I think that Prebisch’s analysis had a more profound underlying methodological message, as his analysis of the deterioration of the terms of trade is rooted in his cyclical and long term analysis of the dynamics of the world economy and the relationship between the ‘centre’ and the ‘periphery’, as he referred so graphically to the developed and developing countries, respectively. Thus Prebisch’s analysis was firmly embedded in a ‘global political economy’ framework and gave rise to the centre–periphery paradigm which Octavio Rodríguez, who unfortunately is not mentioned in the book, has developed more systematically in his writings since the 1970s. Thus Prebisch’s analysis contained a more powerful message for reforming the existing world economic system and had a greater influence on dependency and world system theory than Singer’s work.

The story of Michal Kalecki’s travails during his eight years in the Department of Economic Affairs at the UN headquarters is fascinatingly told given his enormous talent, controversial ideas and complex personality. I am also pleased that Toye and Toye present, albeit briefly, the contribution to the structuralist theory of inflation of the outstanding, but little known, Mexican economist Juan Noyola who joined ECLA in 1950. In May 1959, soon after Castro’s revolution, he became the director of its office in Cuba while still in his mid-30s. But the Secretary-General of the UN, Dag Hammarskjöld, decided to close this office in 1960 when he got cold feet over Castro’s embrace of socialism. Noyola resigned from ECLA as he preferred to stay and support the Cuban revolution with his technical expertise. He tragically died in 1962 in an aircraft

accident while on a mission for the Cuban government. The shameful episode of Trygve Lie, the UN Secretary-General, who allowed FBI officials onto the UN premises to interrogate UN staff during the anti-communist hysteria, whipped up by the US Senator McCarthy in the early 1950s, is documented and its tragic consequences for the lives of some UN staff is recounted with sensitivity.

About a quarter of this book is notes which provide much of the necessary detail as well as the sources for substantiating the authors' statements. Given the richness of these notes it is to be regretted that the publishers decided to place them as endnotes rather than as footnotes so that the interested reader has to constantly flick back and forth between the main text and the endnotes. After much irritation I decided to read the endnotes before reading the main text of the chapter, which gave me a good idea of the issues discussed in the chapter as well as revealing some juicy snippets. This impressive book undoubtedly makes a major contribution to the history of ideas in development economics, especially as to their origins, evolution and impact since the post-1945 period.

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Kevin P. Gallagher (ed.), *Putting Development First: The Importance of Policy Space in the WTO and International Financial Institutions*. London and New York: Zed Books, 2005. x + 301 pp. \$80.00 hardback, \$27.50 paperback.

The role of national policy space in economic development has become the subject of intense debate, and no doubt will motivate further discussion. Among the most controversial aspects are two questions. (i) Do the rules and disciplines of the multilateral trading regime and the conditionality imposed by the International Financial Institutions (IFIs) restrict the autonomy of developing countries to adopt effective development policies? (ii) What should developing countries do to preserve and expand upon their current policy space?

The volume reviewed here focuses on these two questions. Kevin Gallagher collected twelve contributions, most of which had already been published. The result is an informative introduction to the subject that will become a useful reference for policy makers looking for advice and scholars seeking ideas for further research. The collection is rich in identifying key questions and in approaches seeking answers. While there is consensus among the authors that existing rules for the global economy are restricting policy space, there is diversity in both the rationale for enlarging national policy space and proposals of how to achieve this. This diversity is a virtue as it reflects the lack of consensus in this area.

The introductory chapter by Kevin Gallagher provides the framework for and summarizes the main findings of the volume. The remaining chapters can be divided into three parts. Part I comprises contributions by Joseph Stiglitz and Sanjaya Lall who draw on economic theory and East Asia's development experience to argue that proactive economic policies are more important than ever. Part II emphasizes that policies which Part I has shown as being justified by modern economic theory and which were essential to development in the now industrialized countries, as well as in East Asia's late industrialization, are now proscribed, in particular by WTO rules and commitments. The more conceptual contributions by Ha-Joon Chang and Robert Wade are complemented by concrete examples drawing on the Uruguay Round agreements on TRIPS (Carlos Correa) and TRIMS (Albert Cho and Navroz Dubash, and Nagesh Kumar). Part III of the book includes contributions by Alice Amsden, Amit Bhaduri, Peter Evans and Ajit Singh that provide a range of alternative perspectives and proposals as to how nations can preserve and expand current policy space.

A main contribution of the volume is its call for open-economy industrial policies, rather than for a revival of the anti-trade, protectionist policies of some developing countries in the 1960s and 1970s. This is captured best in the concept of an 'optimum degree of openness' (Bhaduri, Singh), defined as providing a balance between totally outward- and totally inward-looking policies.