In sum, the present book offers a stimulating plea for a renewed social market economy in the age of globalization in a vivid and easily comprehensible way. Both the institutional framework and the role of individual morality in a capitalist competitive market system are elaborated clearly. The interdependences between individual morality and market outcomes are demonstrated plainly. By adding numerous examples to his theoretical explanations, the author manages time and again to attract the reader's attention and to acquaint him with solid ideas of basic economics.

Throughout the book, the religious position of the author becomes evident, and he is not afraid to comment on various deplorable states of affairs in Western society and to support his opinion with biblical argument. His profound examination of present economic policy issues is especially informative and often makes the reader think twice and examine his own position.

This book represents a lucid introduction to the broad subject of economics and ethics and it provides an excellent guide for graduates with economics and business administration degrees to reconcile self-interest and the common good in their daily work.

—Karl Farmer and Ingeborg Stadler
University of Graz, Austria

Human Development in the Era of Globalization: Essays in Honor of Keith B. Griffen

James K. Boyce, Stephen Cullenberg, Prasanta K. Pattanaik, and Robert Pollin

Northhampton, Massachusetts: Edward Elgar, 2006 (392 pages)

This edited collection highlights the academic contributions of Keith B. Griffen, Distinguished Professor of Economics at the University of California, Riverside and the former president of Magdalen College, Oxford. He authored thirty books and monographs and over one hundred articles on the causes and consequences of poverty in developing countries and was a major contributor to the formation and annual publication of the United Nations *Human Development Report*.

The introduction to the book provides a synopsis of Dr. Griffen's fundamental beliefs: poverty cannot be alleviated without a more equitable distribution of income and assets; civil wars are the product of "horizontal disparities across regions, ethnic groups, and other social divides"; governments act in the interest of their supporters (i.e., the rich)—this is especially true for nondemocratic developing countries where property rights are not protected and entrepreneurship and competition are restricted; "Trickle down" theories do not work; globalization should be utilized to define and guarantee "rights to food, rights to clean water, … rights to natural resources, rights to participate in the political process"; and international transfers to developing countries should be in the form of grants not loans.

To combat poverty, Griffen argues that governments must manipulate markets and "the state [should in the spirit of Franklin Roosevelt] act as an employer of last resort." To support his claim, Griffen refers to the socially disruptive impact of absolute and relative food price changes in Russia when free markets were introduced. It is more likely that the ill effects were due to the government's reluctance to let markets work themselves out in an efficient and timely manner, a failure to protect private property rights, and the persistence of corruption that was previously imbedded throughout the black markets of the Soviet Union. Griffen's (see Carl Riskin, chapter 1) counterargument is that China's market-controlled economic transition was much smoother than Russia's. True, but the Chinese were always more conscious about checking inflation. As a consequence, when agricultural markets were freed up, China did not suffer the comparable effects from large relative and absolute price changes. Even China's government made its share of errors. Through the early 1990s, China sharply inhibited domestic entrepreneurship, imposed a 50 percent tax on the production of agricultural products, initially decreed a land distribution policy that inhibited the utilization of modern farming techniques, and provided only limited democratic participation (see chapter 2 of this collection.) A reversal or relaxation of all of these government policies would have led to much steeper reductions in poverty—rural and urban.

Riskin focuses on the problem of measuring improvements in rural and urban poverty rates in China. For example, income measures fail to include housing and utility subsidies. Thanks to Griffen (40), we now have alternative measures of human development, including calorie intake, access to potable water, malnutrition, and illiteracy. Yet, there remain several factors that even the *Human Development Report* fails to pick up, such as China's increased food biodiversity (contrary to Griffen's earlier predictions concerning globalization); increased use of refrigeration at outdoor markets; growth in the number of supermarkets (rare in cities up to 1989); increased diversity and quality of clothing; widespread availability of television (most of the farming communities I visited from 1989 to 2007 had satellite disks), computers, and cell phones; improvement in urban home heating and cooking fuels; increased availability of and consumption of restaurant services; increase in the number of universities and industry specific colleges; and extraordinary improvement in transportation.

John Knight, Li Shi, and Lina Song (chapter 2) state that China's economic policies are focused on "rural-urban migration, rising income inequality, and state-owned enterprise reform." The authors yearn for an economic system that brings about an egalitarian society. Mao and Stalin tried, one must respond, achieving this lofty goal by reducing everyone to an extreme state of poverty. Mark Brenner (chapter 3) discusses the impact of China's land tenure system, government investments in irrigation and fertilizer, price controls, weather, and public research and development on agricultural growth and the distribution of income. Both chapters 2 and 3 leave the reader desiring a comparison to the historical experience of other countries (e.g., the Asian Tigers, Chile, or Brazil), which to their betterment experienced similar rural-urban labor migrations.

Chapters 4 to 6 focus on agricultural and rural poverty. James K. Boyce examines the economic disadvantages (e.g., diminishing biodiversity, the loss of income from overproduction of a few cash crops, the failure of farms to internalize environment costs) associated with the demise of small farms as labor drifts to urban centers and farmers seek the benefits of economies of scale associated with larger farms. Steven Helfand and Edward Levine (chapter 5) analyze how income growth, labor migration, and the expansion of social security benefits led to a sixteen percent drop in rural poverty in Brazil in the 1990s. Albert Berry (chapter 6) addresses the consequences of several land redistribution policies in Colombia from the 1930s to the 1990s.

Chapters 7–9 address issues relevant to human development. Topics include the links among mortality, the causes of death, and development; measures of standard of living; and the causality among poverty, population growth, and environmental changes.

Chapters 10–13 focus on Griffen's proactive government strategies to achieve a more egalitarian world and to promote gender equality through feminist macroeconomics. This section also examines the impact of globalization on income equality, class polarization, and the welfare state. Robert Pullin (chapter 10) believes a "fair" distribution of income requires extensive government market manipulations (e.g., minimum compensation packages and rights to collective bargaining), controls on labor migration from the rural to urban sectors to limit the market power of employers, substantial tariffs to provide a source of spending for social services, and government regulations of financial flows. Diane Elson (chapter 11) declares neoliberal and even Keynesian economics to be male-dominated theories bent on suppressing women—fortunately, one will not find Elson's feminist macroeconomic theories in any edition of Paul Samuelson's principles texts, which by the way are gender neutral.

Chapter 12 utilizes Griffin's past research to test whether globalization leads to increased inequality and class polarization. The authors focus their studies on class transition in India and Kenya. They find globalization to have increased income inequality, but "the multiplicity of class sets" did not reduce itself to a "struggle between … the proletariat and bourgeoisie as predicted by Marx and Engel." Victor Lippit's (chapter 13) thesis is that "globalization and technology are undermining the welfare state." Transnational corporations are leveraging their power to outsource jobs or to relocate to lesser-developed countries to pay lower wages and to pay fewer taxes. (The developing countries' share of the world's foreign direct investment [FDI] inflow did drift upward from a 20.4 percent average from 1987–1990 to 38.1 percent in 2004, but dropped to 29 percent in 2006. The overwhelming world share of FDI still goes to developed countries. In addition, least developed counties [LDC] struggle to attract FDI: The LDC share stood at .7 percent in 2006. The poorest nations cannot attract FDI no matter how low their wage rates.) Lippit correctly faults labor regulations and other government disincentives for Europe's high unemployment rates and lack of domestic investment. Europe's individual countries have surrendered their macroeconomic stabilization tools—monetary policy is now the property of the European Central Bank and fiscal policy is limited by a three percent budget deficit/GDP rule—but Lippit notes (292) that countries that abided by these rules to join the EU have realized stronger growth "than might otherwise have been achieved." Lippit does however realize that Europe's primary problems are structural: an aging population, poor incentives that encourage workers to remain or to become unemployed, and labor rigidities and regulations that discourage job creation and diminish relative productivity rates.

Chapters 14–16 return to the topic of income inequality and strategies to lower poverty rates. The strategies include the redistribution of land, incentives to increase the wages of low-skilled labor, utilizing monetary policy for micro loans to encourage entrepreneurship, increased government spending to promote farming and rural nonfarm businesses, increased expenditures on education and health care for the poor, increased world support for NGOs, and debt forgiveness from developed countries. Increased government expenditures would be paid for by higher tax rates on corporations and tariffs. If inflation should rear its ugly head, McKinley (chapter 16) tells developing countries not to worry—and, by the way, they can also use snake oil to cure the common cold.

The book will definitely appeal to fans of big government. I did enjoy most of the chapters: the level of intellectual discussion and analysis is high. Griffen's allies and free market economists share a common goal of reducing world poverty rates, but the two groups differ as to the appropriate role of government and its degree of market involvement.

—Gary Quinlivan
Alex G. McKenna School of Business,
Economics, and Government
St. Vincent College, Latrobe, Pennsylvania

Dishonest Dollars: The Dynamics of White-Collar Crime

Terry L. Leap

Ithaca, New York: Cornell University Press, 2007 (243 pages)

The immediate relevance of the issue of white-collar crime as discussed in this volume by Professor Leap is brought into clear focus when one considers his contention that we are a culture that is based on trust. When the butcher, baker, and corporate CEO are conniving to defraud the unwary consumer, the financial, environmental, physical, and psychological costs are exceedingly high. This book is far more than a simple investigative account of corporate misbehavior or an analysis of its economic effects or sociological characteristics; it explores multiple dimensions of white-collar crime, including its socioeconomic impact, the particular psychological characteristics of its perpetrators, and possible strategies to combat its growing prevalence.

Leap offers several explanations for the growth of crime in the business community and among the professional classes. The first has to do with the realities of the global economy: as manufacturing jobs are more and more relegated to workers in distant lands, an ever-growing segment of the population is engaged in white-collar work. Thus, more