



political economy of a country that determines the outcome of liberalization. This is consistent with the high regional context-sensitiveness already underlined by the co-authors of the book. The chapter would largely benefit from case studies. As such, it is too general and does not provide many operational concepts.

The book concludes in a strongly normative stance with Kaushik Basu's suggestion to change the economic focus from the total gross domestic product (GDP) to the GDP shared by the poorest 20 percent of a population (Chapter 12). Alongside the 'quintile axiom,' he argues that poverty reduction requires an optimal level of social inequality, which is, however, difficultly attainable as policy-makers in different countries are placed in a 'Prisoner's Dilemma' situation: countries cannot reduce inequality separately because they would lose investors and skilled workers. Hence, he claims that an international organization should address this coordination failure.

In sum, the economic approach to both globalization and poverty is both the main strength and the main weakness of the book. Economists will appreciate the wideness of approaches and will acknowledge that the links between liberalization and poverty reduction are far from being straightforward: growth is not inequality-neutral, and it can even hurt the poor, meaning that globalization cannot replace national development policies. Other social scientists will praise the strong accent on the micro-level, but they will have difficulties in accepting income as the sole measure of poverty and will criticize the imperfection of the data and a blindness to gender and the environment.

The authors' final recommendation is first to liberalize and, at the same time, to set up a safety net for the losers: 'Passive liberalisation may lead to marginalization' (p. 47). Next, they suggest that to make globalization truly pro-poor, an international organization should redistribute the gains worldwide more equally. This is a strong message for global policy-makers: if the economic impacts of globalization on the poor are context-dependent, as most of the authors in the book contend, the corresponding policies of the international organizations and of governments should be so as well.

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World Democratic Federalism: Peace and Justice Indivisible

Myron J. Frankman

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The book *World Democratic Federalism: Peace and Justice Indivisible* by Myron J. Frankman belongs to the sphere of literature dealing with the theme of globalization



and its consequences, the theme nowadays so often discussed among scientists and practitioners as well as the public. It deals with the possible political response to the process of globalization and with categories such as sustainability, democratic processes, equality and peaceful coexistence of the whole humanity. Frankman wants to initiate discussion about the topic of democratic federalism and world economy arguing that democratic federalism is one of the best political responses to the economic aspects of globalization. The central argument promotes the world taxation, 'a broader sharing of the benefits of our world can make gainers of us all', while criticizing neoliberalism that Frankman sees as the main cause of contemporary problems.

The book is divided into seven chapters whereby each is devoted to key points associated with the process of globalization: its steering system, existing development and all initiatives made during the 20th century and focused on the theme of world economy and global management system, plus the issues of world public finance, world currency, and social and economic equality. All the chapters are interrelated in the sense that each chapter constitutes the lower stage for the next one and the whole culminates in the last chapter presenting the restored principle of citizenship, nowadays at a global level.

The first chapter focuses on clarification of relevant words as democracy, good government or governance and also to other key factors of contemporary society, such as relevant models of social order or interconnectedness of today's world. In this text, we can see also a brief description of current situation and its key determinants. Among others global cultural integration of the past two decades, which opened the space for the expansion of financial capital connected with the neoliberal theses that the government govern least, govern best. Frankman's conclusions are also supported by statements of other researchers. He strongly believes that we need new human solidarity, completely new or restored view of the development and especially of sustainable development of the whole planet.

The following text concentrates on rules that help to stabilize a society and that tend to change its character as a response to changed circumstances, but they can also outlive their usefulness. A question is raised: Do the rules nowadays still correspond to the changed circumstances of the 21st century. Here, the limitations of basic paradigms and models of economics, for example, concepts of free trade or competitiveness, are presented in a very persuasive way. Moreover the author introduces few examples from history (the early stage of American independence, German unification in the 19th century and the process of European integration) as working models of revenue sharing and federal arrangement of state.

Further on, principal proposals related to 'governing global economic activity' from the early stage of the 20th century are described, searching possible ways how to save humanity from different kinds of negative reactions to economic situation then, following the Great Depression. Frankman mentions different theoretical approaches during the World War II and early post-war period (concerning discussion of global taxation and income redistribution), among others Jan Tinbergen, James Meade or John Maynard Keynes. Attention is paid to attempts of the United States or Great Britain to create a new post-war world order. In this sense, the author recalls all Bretton Woods institutions created as a new solution. This chapter introduces the contrast between US attitudes to open market in the peacetime



(proponent) and the wartime (cooperation with Latin American states in minerals and agriculture exports).

The book continues with the description of the theme of world public finance, especially of world taxation and progressive redistribution. A special attention is paid to the limits of national and sub-national jurisdictions and their effectiveness, that is, the reduction of taxing power. Public finance is not a term we are used to use at the global level. However, Frankman argues that greater international cooperation and new tax treaties are necessary as new resources are needed at the global level to provide for public goods. While the current system fails on this, the global tax system could help. In this respect, Frankman is quite radical coming up with the idea of also taxing natural sources lying within national boundaries arguing that they are a part of our common heritage.

International financial markets create another crucial aspect of the new world economic order. Frankman identifies the current system of national exchange rates as one of the main causes of economic instability of the world economy. As a convenient solution, he puts forward introduction of a new world currency including all the institutions needed for its effective management, for example, a single fiscal authority or some central redistributive mechanism. The author agrees that this problem cannot be solved immediately, but in his view it is necessary to discuss it and to think the new system over.

Really pioneering is the view on another aspect of economic government of the whole world and this is the distribution of world income and its inequalities. The solution lies, according to the author, in equitable distribution and the institution of 'planet-wide citizen's income (PWCI)'. Briefly said, it means that people should have the right to a guaranteed income just from the moment of their birth. This guarantee should resolve the most flagrant examples of poverty. Frankman is highly critical to neoliberalism and indicates this economic approach is one of the main causes of the existing situation and all related troubles. Its 'devastating ascendancy' is spoken, especially in association with the global income inequalities. Frankman calls for 'real freedom for all' — for the right of every person to life, to liberty and security, referring to the Universal Declaration of Human Rights and its Article 3. The PWCI is seen as one of the best solutions for guaranteeing the reasonable level of subsistence to all.

The final chapter closes the whole book with a look at our common future. The contemporary economic system based on neoliberal principles, in the words of the author, only exacerbates economic inequality and poverty. According to Frankman's vision, the world society will need to take some corrective measures and the right time to discuss it has arrived. The book also suggests which ones these should be: global public finance, single world currency, progressive income taxes on global level and PWCI. It is clear that these questions or measures have not only technical, but also political and ethical dimensions. And it is also clear that familiarizing the whole society with these concepts or their equivalents takes some time, but as Frankman says we have to alter the system of global government in the public interest.

This book represents a valuable contribution to the present discussion about globalization and its consequences and possible ways of solution. It proposes a whole collection of instruments to solve all related problems and these ideas are presented in a comprehensive way. Unfortunately Frankman's critique of neoliberalism and his strong belief that it is above all neoliberalism that is responsible for majority



of problems related to global economy is too biased disturbing thus the otherwise well-balanced approach.

Myron J. Frankman has written a book that will probably find an audience not only among practitioners or scholars interested in the field of political economy but also could be of benefit to all who are interested in the process of globalization, its consequences and finding acceptable solutions for all. The core of the book is created by persuasion that we have no other choice than some form of a global government and compensation of global inequalities to live peacefully in the future. This publication does not offer simple solutions, it brings possible way to follow, but the author is well aware that it is not a question of tomorrow but probably years of further discussion.

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