governments. Lai Changxing provides a quintessential example of one who rises to power thanks to layers of corruption and the blatant bribery of officials to secure favorable trade routes. Budding economic gangsters may note the trail of poor documentation which failed to substantiate business transactions and ultimately led to Lai's demise as a trafficker.

In order to remedy the dilemmas explored by the authors, a proactive leadership approach is essential. The unique practices of Columbian mayor, Dr. Antanas Mockus, impart a revolutionary model from which global leaders may prompt economic and social reform amidst historically patterns of corruption. In this instance, his approach of introducing mimes as enforcers of traffic laws drew on the conscious of citizens to recognize instances of poor judgment. Rather than simply accept the elevated levels of crime in troubled districts, the mayor ignited a sense of pride and ownership into his citizens. Such examples of economic recovery and positive behavior generate optimism in times of global uncertainty.

Fisman and Miguel leave the audience to ponder the fate of projects tainted by the existence of economic gangsters. Such overt corruption tends to sabotage the most well-intended business ventures and economic development plans; ultimately, guiding unwary nations and its people down an ominous path. The authors credit the foresight of cognizant and sincere world leaders, politicians, and economists as a remedy to the web of chaos resulting when the trend of such corruption is left unbridled. Thus, the onus is placed on the reader and informed members of society to ignite conversation and increase comprehension of the source of corruption, poverty, and violence amongst our global communities. Acknowledging and addressing the phenomenon of economic gangsters is the first step in an encouraging direction and a genuine promise for future generations.

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Rules for the Global Economy. HORST SIEBERT. Princeton, N.J.: Princeton University Press, 2009. Pp. xiv, 272. $49.50.

The author adopts an approach to the emergence of rules for a world economic order that depends on reducing transactions costs or based on past experiences, especially negative experiences that demanded an adjustment to existing rules. The prerequisites for these institutional arrangements are good markets that encourage competition and political structures that are open and allow for the preferences of all concerned to be represented. The mechanisms through which international rules can reduce transactions costs are thoroughly discussed, and this thread guides the reader throughout the book. The channels of interdependence between countries or nation-states were established early in the book, including the increased trade in goods and tradable services, stronger interlink of macroeconomies, increased factor mobility, persistent environmental and political externalities, increased globalization of financial markets, and stronger communication flows. Also, it makes a very good case for working within the current World Trade Organization (WTO) rule system in order to strengthen global rules, particularly in light of increased tradable services and increased recognition of the need to address deteriorating global public goods, such as the depletion of the ozone layer and global warming.

The author argues that rules can be established through several means and mostly ex post. For example he discusses historical evidence of when rules have emerged from negative experiences such as the depression in the 1930s and World War II, and hence the establishment of General Agreement on Tariffs and Trade (GATT) and the International Monetary Fund (IMF). Rules also are established when institutional competition enables economic agents and decision makers to adopt institutional practices that produce more satisfactory results. Examples include the country-of-origin principle in Europe, and the abandonment of the import substitution philosophy by Latin American countries in the 1980s in favor of export diversification practiced by Asian countries. Again, markets are emphasized as an efficient way to establish rules, but with an extended discussion of the basic problem of market failure. On the stabilization of rules, the author advocates positive mechanisms that would enable transparency so that for each nation the advantages of membership exceed the advantages of nonmembership. Also, the rules must be accepted and members must demonstrate credible leadership. The author argues that these are necessary because nations have to cede national sovereignty within this global order. The reader will find this section quite informative because it presents a good discussion of alternatives to positive mechanisms and other issues that may confront global rule stability, including references to the relevance of regional agreements.

The book proceeds from generalities to sections devoted to the rules for international product markets, rules for border-crossing factor movements, rules for the global environment, and preventing financial instability. First, the reasons for the successes of the rules for international product markets are mostly the same as those discussed within the context of rule establishment and stabilization in previous sections. In spite of the evidence that the benefits of the international division of labor have largely been exploited, the author argues that WTO rules need to be strengthened given a number of unresolved issues. With increased globalization, competition policy outside the WTO is offered as an alternative means to global rules. The discussion on the successes of the rules for capital flows, technology flows, and migration hinges on whether visible benefits accrue to the world economy, countries, individuals, and parties involved. Regarding capital and technology flows, the WTO's Trade-Related Investment Measures (TRIM) and Trade-Related Aspects of Intellectual Property Rights (TRIP) agreements are solid beginnings and based on solid principles, but more progress is needed. Interestingly, the author alludes to a pecking order in which stronger rules on investment and technology flows that benefit the world economy and all parties involved would reduce the need for migration.

The author does a good job of explaining the inherent problems associated with rules for the global environment. However, most of the technical discussion including the issue of the public good characteristic of environmental quality is familiar from the literature on resource and environmental economics. The reader may benefit more from the section that offers possible institutional mechanisms for dealing with global environmental issues. Siebert presents an informative discussion on the Kyoto Protocol in the context of a workable rules mechanism.

In terms of rules for preventing financial instability and avoiding currency crises the author offers recommendations for a stable banking system and solid public finances. He makes the familiar case that currency crises might impose negative spillovers and hence a systemic crisis that endangers the global system. Therefore, a solid global financial architecture, with the IMF playing a significant role, is necessary to ensure that any nation that encounters a currency crisis must be supported. To the reader who is familiar with financial and currency crises and crises management, this section may not offer much that is unusual.

The book delves into other compelling issues that add to the complexities of the international rule system. A discussion is offered on how the international rule system might face questions of fairness, human rights, and legitimacy, and may not be consistent with the prevailing ethical norms in some nations. Also, there is the issue of interdependence of orders, and how suborders with their own goals may exist side by side within a global order. Siebert raises the issue of institutional arrangements that may arise from suborders and points to several potential problems. He uses the international trade order and international environmental order as cases where consistency is needed, but difficult to achieve because of differing goals for parties to trade agreements. The author provides examples of how existing arrangements deal with these issues and how they may be incorporated in a global economy.

The concluding chapter provides a comprehensive outline of future challenges to the global rule system. The solutions for most were discussed in previous sections. The author extends the discussion on the importance of the market processes that emanate from the interdependencies between countries in defining new global rules; he indicates that the WTO system based on principles such as nondiscrimination, national treatment, and most-favored-nation treatment may provide the basis for strengthening future global rules.

The author's multidisciplinary approach to issues makes the book appealing to a wider audience including economists, policymakers, legal practitioners, historians, diplomats, and political scientists. The book is rich in its reference to and examples from history as a basis for resolving challenges that face the global rule system.

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