more of a ‘settled’ field, but this is hardly a consensus view, especially amongst those who study the field’s methods.

Similarly, the author presents a view of increasing formalisation as always representing a net gain of analytical power with little concomitant loss of nuance, flexibility or real-world applicability. This too is a common view amongst many economists, but not the only one. Even Debreu (1991), in his American Economics Association address on the topic of ‘mathematization’ of economics, admitted that not all believed this phenomenon to be an unambiguous advance (and this article is not cited in the references, although the Theory of Value is). Outside economics, the mathematician Morris Kline has thoroughly analysed the limitations of mathematical method and Gödel’s incompleteness theorem, discussed in Kline (1980), shows that any formal system cannot be consistent and complete at the same time. These biases may be unimportant in other contexts, but in a history of economic thought, their ramifications are more serious.

There are some quibbles too. Some observations are made that this reviewer believes are over-simplified, for example, the view that wage rigidity is the primary feature of short-term labour market behaviour in Keynes, or that economic materialism (in the philosophical sense) is defined as technology combined with other socioeconomic dimensions resulting in historical circumstance and direction, or that Joan Robinson’s contributions to capital theory are not significant. There is also a tendency to take hedging qualifiers in original texts (such as ‘usually’, ‘typically’, ‘frequently’ etc.) as proof of a nuanced position by the text’s author, without always backing this characterisation up. Footnotes, especially on individual biographies, occasionally have an ad hominem quality, as for example, one on page 351 that cites an opinion offered in the published literature that Keynes refrained from using maths in the General Theory because of being ‘insecure’ about them, an opinion that seems to be the only one in the literature on Keynes. Finally, there is omitted from the references any mention of Donald Gordon’s substantial body of work on the history of economic thought. See Gordon (1965) and references therein.

These last, however, are minor points. Taken as whole, this is one of those relatively rare books on economics that is both readable and thoughtful. It also fills a gap in the literature between primers written for non-economists and detailed (and sometimes arduous) histories of economic thought or its various subfields.

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Globalization for Development –Meeting New Challenges, by Ian Goldin and Kenneth Reinert (Oxford University Press Inc., New York, 2012), pp. 337.

This is a clearly written and well-planned book focusing on *how* globalisation can help alleviate poverty in the developing world. It recognises the complexity surrounding the issue of poverty alleviation, and stresses the importance of the domestic policy environment, through interacting with the process of globalisation, in bringing about pro-poor economic growth. It eschews ‘heroic’ claims linking globalisation to rapid reduction in poverty in the recent history of countries such as Vietnam, and chooses to emphasise ‘small wins’ in the battle against poverty. In addition, it points out the risks in some cases associated with opening an economy particularly to international financial flows. This is therefore a timely book addressing the concerns of those who might have been influenced by some of the more vocal critics in the antiglobalisation movement.

Five aspects of globalisation are examined – international trade, finance, aid, migration and the international flow of ideas. In trade, the authors point out, *inter alia,* that the sum total of subsidies paid by governments in the developed countries to prop up their agricultural production exceeds the total amount of foreign aid given to developing countries. Many of these agricultural commodities are in direct competition with exports from the developing world; hence, these subsidies represent a big distortion in the agricultural export markets facing developing countries. This is not to deny the political imperative of governments in the EU and the USA to protect their own farmers, but the authors refer to work which concludes that agricultural subsidies in these developed countries are captured by large companies rather than by the family farms, and that other forms of income support for small farmers would be more effective. This argument is probably well known to an Australian audience, but summarising the facts concisely in the book helps to project the issue to a wider public where there are signs that it is finally being taken up by more popular forums.

This section on trade also discusses a ‘small win’ at the intersection of trade and technology. This takes place in the form of the ‘Grameen phone’ whereby mobile phones and training for their use were made available to village ‘phone ladies’ in Bangladesh. This meant that information on input and output prices, as well as warnings on weather conditions and calamities, was made available to small farmers, resulting in increases in agricultural trade and profitability. Anecdotal evidence indicates that similar success is also occurring in some Pacific island countries.

The risks for developing countries associated with rapid opening to international capital flows are spelt out in the book. In particular, the risks of contagion and the costs in human terms of financial crises are summarised. For example, at the height of the Asian financial crisis in 1997–1999, an estimated 35 million people in Indonesia were pushed into ‘absolute poverty’, defined as living on less than 2 USD per day. The focus on poverty is more effective in describing the costs of financial crises than simply in terms of the loss of GDP growth. This section does stress the benefits of domestic financial sector development and international capital flows, particularly in terms of funding domestic firms to take advantage of technological spillovers. However, the risks of contagion and the grave costs of financial crises in poverty terms mean that financial globalisation needs to be handled with care.

With regard to foreign aid, given the importance of human capital formation in promoting long-term growth, perhaps more emphasis could have been given in the book to education programmes and scholarship aid. There is, however, an interesting discussion on the work of the African Economic Research Consortium (AERC), which is funded by 17 international donors. The AERC runs a collaborative master’s programme in economics amongst 23 universities in 19 sub-Saharan African countries. An important objective of this programme not mentioned in the book is the raising of standards of economics teaching to levels comparable to those in the better universities of the developed world. This is significant as many developing countries have quite a few so-called ‘universities’ which are poorly funded and substandard, and represent a great deal of waste in government expenditure and in human capital formation. In addition, the AERC conducts regular forums in which research articles with emphasis on economic policy are presented by young economists (often graduates of the master’s programme) in the region. These articles are then discussed by invited scholars from recognised universities around the world and from multilateral agencies. The writer of this review participated as a discussant in one such forum in Cape Town, South Africa in the early 1990s. As a real-life example of the benefits of the international exchange of ideas, this writer was able to adapt the concept of these research forums into an AusAID-funded project applied to the teaching of economic policy research to Vietnamese PhD students at the ANU. The power involved in the globalisation of ideas is therefore quite rightly emphasised in the book.

International movement of people is another important aspect of globalisation. Here, issues of brain drain, absorption of migrants, exploitation of workers and human trafficking are canvassed. As in the case of trade and finance, multilateral organisations are needed to harness the economic and social potentials of migrants while offsetting the necessary adjustment costs in the short run.

The book concludes with a checklist for global action in terms of policies to maximise the benefits of globalisation for developing countries. Part of this checklist also includes policies towards managing four issues involving global ‘common property’ – climate change, antimicrobial resistance to TB, malaria and staph infections, continued increases in agricultural yields and protection of civilians in conflict zones. While the analyses of globalisation in the book are, in general, balanced and useful, there is little discussion about the political will of national governments to implement this substantial policy agenda. This issue is highlighted by the difficulties encountered in attempts to lower agricultural protection amongst the rich countries in the various rounds of negotiations associated with the World Trade Organization. There is indeed a view that cooperation amongst national governments would be a lengthy, and possibly futile, wait. Some therefore argue that global governance could be advanced through involving the private sector, in particular, by putting social pressure on transnational corporations to carry out 'corporate social responsibility'. There appears to be a growing literature in this field even though the theoretical underpinnings still need to be explored. However, that is the subject matter for a different book.

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Finance and the Good Society by RobertShiller (Princeton University Press, Princeton, NJ, 2012), pp. xvi + 288.

I find it difficult to review books. I am much more at home reviewing academic manuscripts. And I read many more academic papers than books. However, I generally read a book when travelling on an airplane. And it is here where Shiller's latest book was read. It took trips from Canberra to Perth, the US, Taiwan and Europe to complete the task. Of course I did not read the book all the time while travelling, I am not that slow a reader. But, I must admit had I not been asked to do this review I most likely would have put the book aside after the first few pages. Thankfully, I did not do that as once I got through the introduction I found it quite interesting and well worth the read. I found the introduction to be mentally challenging- not the sort of thing you need on a flight from Canberra to Perth which was where my reading began. So my first recommendation for someone thinking of reading this book would be to leave the introduction until last or skip it altogether.

As a Professor at Yale, Shiller is no slouch when it comes to academia. However, his publication record does not hit the really high notes that other notable professors hit. Shiller seems more comfortable writing copious amounts of material that fit into an area of work where his arguments are well-referenced, but are essentially his particular take on an issue. *Finance and the Good Society* fits into that category. It is well referenced and extremely well-thought out, but at the end of the day it is basically his views and opinions. You can take it or leave it. Having said that it still represents an insightful view into the broader aspects of finance, the people involved in finance and the implications their behaviour has had in shaping the world. What is interesting is the wealth of knowledge Shiller has put into this book.

I was not convinced that the title of the book was reviewed by a good marketing team, it did not do a lot for me- *Finance and the Good Society*.

So what is this book about? The title does not do the contents any justice as I previously hinted although the title really explains what the book is about. The book is about the players in the finance game and how they contribute to society, and particularly how they contributed to the recent global financial Crisis. Part one covers the players while part two covers their contributions to the financial system. The chapters are often quite short which I liked and sentences are generally referenced as required, which I also liked. One minor point here that I did not like was putting the references at the end of the book in chapter order but not including on each page what chapter you were reading. This meant that if you wanted to look up a reference you needed to first go back to the beginning of the chapter to find which one it was before going to the end of the book to track down the reference. This could have been easily overcome by putting the chapter number at the top of each page. Of course this also could have been overcome by putting the references in footnotes at the bottom of the page or at the end of the chapter. My personal preference would be to have them at the bottom of the page. Regardless of personal preference it could have been done better.

As mentioned previously the book is divided into two parts. The first part covers the players in the financial arena and a chapter is devoted to each group, 18 in all including CEOs, investment managers, bankers, traders, insurers, financial engineers, lawyers, lobbyists, regulators, accountants, auditors, educators and even philanthropists get a chapter. For each player Shiller gives an account of what he thinks their contribution has been to the financial economies (basically USA) that we see today. The global financial Crisis is in the forefront here. Generally, Shiller is critical of