

Holiday Cheer



Jonathan Tepperman

The Fix

How Nations Survive and Thrive in a World in Decline

Tim Duggan Books/Crown, New York, 2016, 320 pp., \$28 (hardcover).

We live in a moment of global trepidation, beset by economic, political, and social problems that are perceived as insurmountable. We see severe inequality everywhere and frequently getting worse over time. Extremists of various kinds prove persistent and very dangerous. And sustainable economic development proves frustratingly elusive.

Jonathan Tepperman provides a refreshing and timely challenge to the idea that any of these problems are insurmountable. In a wide-ranging and detailed analysis, he reviews 10 situations in which strong leaders were able to address specific issues—such as corruption in Singapore, immigration in Canada, poverty in Brazil, and many more—with impressive and lasting results.

These are important stories and Tepperman tells them well. As managing editor of *Foreign Affairs* magazine, the author has access to high-profile figures and has dug deep into both the news coverage and the underlying research (full disclosure: he cites some of my work). The book is easy to read and each chapter is thought provoking. I teach a course at

the Massachusetts Institute of Technology on the future of the global economy, and I plan to use some of this material in future years. This is also a great book to give to friends and relatives during the holiday season—if you would like to be seen as an encouraging, yet realistic, member of your social network.

As part of that conversation—and not to disparage Tepperman's research or his eloquence—I would suggest three themes around which we should all become more engaged.

First, *The Fix* highlights three lasting economic success stories—countries that have dramatically improved incomes per capita over the past 50 years: Singapore, South Korea, and Botswana. These are salient and instructive examples. But how well do these models travel across countries? What other country can have Singapore's combination of highly paid civil servants and essentially no corruption? Would you really recommend to any country that it follow South Korea in encouraging—and arguably subsidizing—the formation of relatively few tightly held powerful family conglomerates? And is Botswana's handling of diamonds a beacon of policy clarity for everyone facing a bonanza of natural resources, or is it just the exception that proves the rule?

Second, given Tepperman's global reach, the limited number of unambiguous successes is a bit sobering. The politics of the poverty-reduction Bolsa Familia program in Brazil are compelling, as is the way in which Canada has remained open to immigrants even while other countries talk about slamming the doors. Some of the other examples are more novel, but also less convincing. Has New York created its own de facto national defense equivalent—or is that something that can only be done at the country level? Has Mexico really turned around its economics and politics? Has Indonesia figured out how to deal with Islamic extremists? And has Rwanda built an economy and a social peace that will outlast the leadership that created it?

Third, perhaps we should push back further on the overall premise here. To be sure, there is a great deal of angst and political smoke around globalization and its implications. But the bigger picture—as emphasized by Arvind Subramanian, formerly of the IMF and currently chief economic advisor to the Indian government—is different and much more positive. The world diverged dramatically, in terms of income levels and living conditions, at the time of the Industrial Revolution in the early and mid-19th century. And these gaps between better-off and worse-off nations did not close during the wars, decolonization, and boom-bust cycles of the 20th century. But the past 20 to 30 years—that is, the most recent period of globalization—have brought not only the rise of China but also the benefits of economic reform and trade across a wide range of countries. Poorer places are continuing to converge on the income levels of richer countries. Globalization definitely brings discontent, but in many situations it has also brought great benefits to hundreds of millions (and perhaps billions) of people.

We see severe inequality everywhere.

Tepperman is right to focus on charismatic individuals and their contributions. It makes for a readable and fascinating book. But is history—and economic development—more about great men (and they are almost all men in Tepperman's account), or is it primarily about the broader processes that create a middle class, allow democracy to take hold, and encourage the development of stronger, more protective, and inclusive human rights?

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