

characteristics of the respondents. Finally, an analysis of separate data on diaspora philanthropy is included in this chapter, and finds that money flows have been relatively insignificant in contributing to ethnic violence in India, buttressing the point made with respect to prejudices among the diaspora.

The book's final chapter provides a lucid summary of the findings of various components of the study, organized by economic effects and political effects. Remittances, flows of ideas, and reduced pressure on some labor markets have helped. On the other hand, brain drain effects, not just in specific skills and professions, but perhaps even more so in the withering of India's higher education system, have been a strong negative. On political effects of migration from India, the author is more sanguine, based on the flow of ideas and reduced pressure on political competition for power and resources. He finds that the negative impacts of the diaspora on domestic ethnic or religious conflict are likely not as great as sometimes feared.

The chapter goes on to consider changing policies of the Indian government with respect to its diaspora, and then more broadly to changing conceptions of citizenship. In India's case, the resurgence of an idea of citizenship based on ethnicity rather than territorial residence is, in a sense, a recovery of an older form of group identity, one that much predates the modern nation state. The challenges faced by Europe and the United States in reconfiguring the norms of citizenship in the face of much greater ethnic, cultural, and religious diversity than in the past, mirror the issues raised by Kapur in this book. While much of the specific study pertains to recent Indian emigration to the United States, the book also contains rich historical material, data and information about Indian migration to other places (especially the Middle East), and comparisons to other migrations and migrant populations. At a higher level, therefore, the book provides general insights into a sorely neglected facet of globalization. To the extent that people, knowledge, and ideas matter above all else, the global flows of goods and money have to be understood in the context of international mobility and migration of people. This book is a valuable research contribution, both

for its findings and for its setting of a research agenda for future work.

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Emerging Markets: Resilience and Growth amid Global Turmoil. By M. Ayhan Kose and Eswar S. Prasad. Washington, D.C.: Brookings Institution Press, 2010. Pp. xiv, 205. \$26.95, paper. ISBN 978-0-8157-0564-2.

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Globalization has woven tight linkages between emerging market and developed economies over the last two decades. Understanding how these linkages have shaped the characteristics of the macroeconomic fluctuations of emerging market and developed countries is of interest to academic research and important for policy formation. Existing theoretical studies offer ambiguous predictions about how globalization should affect output fluctuations in each country group and the synchronization of business cycles across them. Predictions also depend on the level of development, the nature of shocks, the degree of market frictions and the pattern of specialization. Instead of relying on the subtleties of theory, Kose and Prasad focus on the data.

The book offers an in-depth empirical analysis of globalization and synchronization of business cycles between emerging and developed economies. For this purpose, the authors construct a comprehensive dataset that includes many macroeconomic and financial variables for twenty-three advanced economies, twenty-four emerging markets, and fifty-nine low-income countries. The dataset covers the years from 1960 to 2009 and includes the recent global financial crisis. The main message of the book is that greater trade and financial integration of emerging market economies has not translated into greater synchronization of their real economic fluctuations with developed countries. Specifically, the empirical evidence suggests a convergence in

business cycles among each group of countries, but a gradual divergence between them.

The book starts by highlighting the rising prominence of emerging market economies on the world economic stage. The PPP adjusted share of emerging economies in total world GDP rose from 16 percent in 1960s to almost 40 percent in 2009. The book then presents facts on increasing global trade and financial linkages, especially for emerging markets. The sum of gross international financial assets and liabilities rose from less than 3 trillion U.S. dollars in 1985 to nearly 20 trillion in 2007. The ratio of total trade to GDP for emerging market economies rose from less than 30 percent to about 80 percent over the same period. During this period, the share of emerging markets' trade with developed countries declined, while the share of intra-group trade rose substantially.

The book next examines the impact of globalization on the volatility of business cycles and on the comovement of business cycles between emerging and developed economies. Despite greater integration of financial markets across countries, real activities in emerging markets have become less correlated with those of developed economies. A dynamic factor analysis shows that the contribution of the global factor to output fluctuations declines, while the contribution of the group factor increases with the degree of globalization.

Finally, the book documents properties of recessions in emerging market economies, with special attention to recessions accompanied by financial crisis. The amplitude of economic contractions is larger among emerging markets than developed countries, especially when financial crises occur at the same time. In the recent global financial crisis, emerging market economies—as a group—display great resilience to recessions in developed countries, though there are considerable differences among emerging economies. China and India experience a small decline in the growth rate of output, while eastern European countries experience a large decline and slow recovery. The book concludes with a brief discussion of policy related issues.

I most like that the book provides a comprehensive and unbiased description of the data. The authors skillfully use figures and charts to

unveil a series of interesting facts to readers. The book also offers an excellent survey of the related literature.

As with any publication, this book also has its limitations. I would like to see more discussions on the dynamic factor model, which is the empirical methodology used to establish key findings. In particular, more attention should be devoted to explaining caveats to the results, the interpretation of the global and group factors and the ability to precisely separate one factor from the other.

Also, the book documents a statistical relationship between increasing trade and financial integration and declining synchronization of business cycles across emerging market and developed economies. However, the book has not made enough effort either to establish the causality of this relationship or to investigate transmission channels. Further exploration of the heterogeneity among emerging market economies, in terms of the degree of synchronization of their business cycles and the degree of trade and financial integration would be valuable. The new empirical findings in the book put forward challenges to existing models and provide directions for future research. It would be more useful, however, if specific theories were more closely connected to empirical findings discussed in the book.

To conclude, this book is a timely contribution to the literature. It is a valuable resource for advanced undergraduate and graduate students who are interested in international economics. The book has documented many interesting facts for which existing theory is not suited. Thus, this book is particularly useful for students who are seeking topics for their own research.

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The Globalization Paradox: Democracy and the Future of the World Economy. By Dani Rodrik. New York and London: Norton, 2011. Pp. xxii, 346. \$26.95. ISBN 978-0-393-07161-0.

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Professor Rodrik is one of, if not the most, sophisticated skeptics of globalization. His new volume recovers and updates his thinking on the subject that started to be distinctive with his 1997 landmark study, *Has Globalization Gone Too*