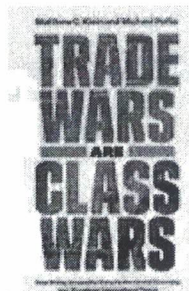


## How to Build a Better Economy

STEPHANIE KELTON, *PUBLIC AFFAIRS*, RRP\$30/JOHN MURRAY, RRP£20

Modern monetary theory has become a driving idea of the modern left. The government, proponents argue, can print as much money as it wants to fund whatever it wishes. The only constraint is excess demand and so inflation. This book by a prominent advocate is going to be influential. In my view, it is right and wrong. It is right, because there is no simple budget constraint. It is wrong, because it will prove impossible to manage an economy sensibly once politicians believe there is no budget constraint.



## Trade Wars are Class Wars

MATTHEW C. KLEIN AND MICHAEL PETTIS, *YALE UNIVERSITY PRESS*, RRP\$28/£20

This is a very important book. Its central argument is that “A global conflict between economic classes within countries is being misinterpreted as a series of conflicts between countries with competing interests. The danger is a repetition of the 1930s, when a breakdown of the international economic and financial order undermined democracy and encouraged virulent nationalism.” Policies that generate high inequality and excessive private savings must end if economic stability is to be restored.



## China and the Future of Globalization: The Political Economy of China's Rise

GRZEGORZ W. KOLODKO, *I.B. TAURIS*, RRP\$21.66/£16.09

The rise of China is the greatest political and economic event of our era. Grzegorz Kolodko, a former finance minister of Poland, has produced a thoughtful, balanced and penetrating analysis of the global implications. He is particularly concerned by the desire of the US to turn China into an enemy. But, he notes, “China does not wish to turn other countries into foes . . . It’s astounding, but China seems to better understand what’s at stake at the current civilizational crossroads.” Alas, he is right.

## Angrynomics

ERIC LONERGAN AND MARK BLYTH, *AGENDA PUBLISHING*, RRP\$16.95/£12.99